Eighty-eighth Annual Report

of the

State Corporation Commission

of

Virginia

For the Year Ending December 31, 1990

GENERAL REPORT

Letter of Transmittal

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

RICHMOND, VIRGINIA, *December 31, 1990*

To the Honorable L. Douglas Wilder

Governor of Virginia

Sir:

We have the honor to transmit herewith the eighty-eighth Annual Report of the State Corporation Commission for the year 1990.

Respectfully submitted,

Preston C. Shannon, Chairman

Thomas P. Harwood, Jr., Commissioner

Theodore V. Morrison, Jr., Commissioner

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State Corporation Commission

COMMISSIONERS

*Thomas P. Harwood, Jr.	Chairman
**Preston C. Shannon	Chairman
Theodore V. Morrison Jr.	Commissioner

George W. Bryant, Jr.

Clerk of the Commission

*Term as Chairman expired January 31, 1990.

**Elected Chairman January 31, 1990, for term of one year, beginning on February 1, 1990.

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

From 1903 through 1990 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	18	Lacy	4
Shannon	19	Morrison	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, the Commission may direct the applicant to prepare and file with the Commission, well in advance of the hearing date, all testimony in question and answer or narrative form, including all proposed exhibits, by which applicant expects to establish his case. Protestants, in all proceedings in which an applicant shall be required to pre-file testimony, shall be directed to pre-file in like manner and by a date certain all testimony an proposed exhibits necessary to establish their case. Failure to comply with the directions of the Commission, without good cause shown, will result in rejection of the testimony and exhibits by the Commission. For good cause shown, and with leave of the Commission, any party may correct or supplement, before or during hearing, all pre-filed testimony and exhibits. In all proceedings all such evidence must be verified by the witness before the introduction into the record. An original and fifteen (15) copies of prepared testimony and exhibits shall be filed unless otherwise specified in the Commission's order and public notice. Documents of unusual bulk or weight, and physical exhibits other than documents, need not be prefiled, but shall be described and made available for pretrial examination. Interveners are not subject to this Rule.

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

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

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

(c) In a Rule 4:11 proceeding, whenever it appears to the Commission, by affidavit filed with the Clerk by a party presenting evidence that any book, writing or document, sufficiently described in said affidavit, is in the

possession, or under the control, of any identified persons not a party to the proceeding, and is material and proper to be produced in said proceeding, either before the Commission or before any person acting under its process or authority, the Commission will order the Clerk to issue a subpoena and to have same duly served, together with an attested copy of the aforesaid order, compelling production at a reasonable time and place.

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

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

Answers are to be signed by the person making them. Objections, if any, to specified questions shall be noted within the list of answers. Answers and objections shall be served within 21 days after the service of interrogatories, or as the Commission may otherwise prescribe. Upon special motion of either party, promptly made, the Commission will rule upon the validity of any objections raised by answers, otherwise such objections shall be considered sustained.

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

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

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

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

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

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

(a) The simplification or limitation of issues;

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

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

(d) The limitation of witnesses;

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

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

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

PART VII
PROCEEDINGS BEFORE A HEARING EXAMINER

7:1. *Proceedings Before a Hearing Examiner.* The Commission may, by order, assign any matter pending before it to a Hearing Examiner. In such event, and unless otherwise ordered, the Examiner shall conduct all further proceedings in the matter on behalf of the Commission, concluding with the filing of the Examiner's final Report to the Commission. In the discharge of such duties, the Hearing Examiner shall exercise all the inquisitorial powers possessed by the Commission, including, but not limited to, the power to administer oaths, require the appearance of witnesses and parties and the production of documents, schedule and conduct pre-hearing conferences, admit or exclude evidence, grant or deny continuances, and rule on motions, matters of law, and procedural questions. Any party objecting to any ruling or action of said Examiner shall make known its objection with reasonable certainty at the time of the ruling, and may argue such objections to the Commission as a part of its comments to the final report of said Examiner; provided, however, if any ruling by the Examiner denies further participation by any party in interest in a proceeding not thereby concluded, such party shall have the right to file a written motion with the Examiner for his immediate certification of such ruling to the Commission for its consideration. Pending resolution by the Commission of any ruling so certified, the Examiner shall retain procedural control of the proceeding. Unless otherwise ordered, these Rules of Practice and Procedure shall apply to all proceedings conducted by Hearing Examiners in like manner as proceedings conducted by the Commission.

PART VIII
FORMAL HEARING

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

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

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

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

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

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

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

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

(vi) The presentation of evidence.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Adopted: September 1, 1974

Revised: May 1, 1985 by Case No. CLK850262

Revised: August 1, 1986 by Case No. CLK860572

LEADING MATTERS DISPOSED OF BY FORMAL ORDERS

BUREAU OF FINANCIAL INSTITUTIONS

CASE NO. BFI870333
APRIL 12, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
MERRILL LYNCH REALTY OPERATING PARTNERSHIP, LTD.
d/b/a MERRILL LYNCH REALTY,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY the Commissioner of Financial Institutions reported to the Commission that the Defendant, Merrill Lynch Realty Operating Partnership, Ltd. d/b/a Merrill Lynch Realty, is licensed to engage in business as a mortgage lender and 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 March 19, 1990; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on March 7, 1990 that its license would be revoked on March 30, 1990 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 March 22, 1990; 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 Merrill Lynch Realty Operating Partnership, Ltd. d/b/a Merrill Lynch Realty to engage in business as a mortgage lender and mortgage broker be, and it is hereby, revoked.

CASE NO. BFI870333
MAY 2, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
MERRILL LYNCH REALTY OPERATING PARTNERSHIP, L. P.
d/b/a MERRILL LYNCH REALTY,
Defendant

ORDER REINSTATING A LICENSE

On a former day the staff reported to the Commission that the Defendant has been mistakenly identified in this proceeding as Merrill Lynch Realty Operating Partnership, Ltd. rather than by its true name which appears in the caption of this Order; that the Defendant has filed the Surety Bond required by Virginia Code § 6.1-413; and that the Defendant has failed to file the Annual Report required by Virginia Code § 6.1-418. The Defendant has also filed with the Clerk a Petition for Rehearing seeking reinstatement of its license for various reasons.

Upon consideration whereof, it is ORDERED as follows:

1. That this case shall continue under the style and caption of this order, and the Clerk shall correct his records relating to this proceeding accordingly;

2. That the Order Revoking License entered in this case on April 12, 1990 is vacated, and the Defendant's license to engage in business as a mortgage lender and broker is reinstated effective April 12, 1990; and

3. That this case is continued generally for such further proceedings as the Commission deems appropriate.

CASE NO. BFI880015
MARCH 15, 1990

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

ORDER REVOKING LICENSE

ON A FORMER DAY the staff reported to the Commission that the Defendant, Morgan Investments, Inc., is licensed as a mortgage lender and mortgage broker under Chapter 16 of Title 6.1 of the Virginia Code; that the Defendant's bond filed with the Bureau of Financial Institutions was cancelled by the surety thereon effective March 1, 1990; that the Defendant was notified by certified mail on February 9, 1990 that its license would be revoked on March 2, 1990 unless it filed a new bond prior to that date and that, if a hearing was desired, a written request for hearing should be filed with the Clerk on or before February 23, 1990; and that the Defendant has failed to file either a new bond or a written request for hearing.

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

ORDERED that the license granted to Morgan Investments, Inc. to engage in business as a mortgage lender and mortgage broker be, and it is hereby, revoked.

CASE NO. BFI880018
JULY 19, 1990

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

ORDER REVOKING LICENSE

ON A FORMER DAY the Staff reported to the Commission that the Defendant, Mortgage Finance Corporation, is licensed to engage in business as a mortgage lender and 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 16, 1990; that the Defendant failed to file an annual report pursuant to Virginia Code § 6.1-418; that the Commissioner of Financial institutions, pursuant to delegated authority, gave written notice to the Defendant by certified mail that its license would be revoked unless a new bond and annual report were filed, and that a written request for hearing was required to be filed in the Office of the Clerk of the Commission; and that no new bond, annual report, or request for hearing was filed by the Defendant.

Accordingly, the Commission finds that the Defendant has failed to maintain a bond in force and failed to file an annual report, as required by law, and it is

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

CASE NO. BFI880119
JUNE 15, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
GENERAL MORTGAGE SERVICE COMPANY
formerly known as
NORTH AMERICAN MORTGAGE COMPANY,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY the Commissioner of Financial Institutions reported to the Commission that the Defendant, General Mortgage Service Company, is licensed to engage in business as a mortgage lender and 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 28, 1990; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 16, 1990 that its license would be revoked on May 29, 1990 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 May 1, 1990; 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 General Mortgage Service Company to engage in business as a mortgage lender and broker be, and it is hereby, revoked.

CASE NO. BFI880215
MARCH 9, 1990

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

ORDER REVOKING LICENSE

ON A FORMER DAY the Commissioner of Financial Institutions reported to the Commission that the Defendant, Westhampton Mortgage Company, Inc., is a licensed mortgage lender and broker under Chapter 16 of Title 6.1 of the Virginia Code; that the Defendant's books and records were examined pursuant to Virginia Code § 6.1-419 in February, 1990; that in the course of such examination it was discovered that the Defendant had violated various laws and regulations applicable to the conduct of its business; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on February 15, 1990 of his intention to recommend that Defendant's license be revoked, which notice specified the violations of laws and regulations and required the Defendant to file a written request for hearing with the Clerk within fourteen (14) days from the date of the notice; and that no written request for hearing was filed by the Defendant within that time.

UPON CONSIDERATION WHEREOF, the Commission finds that the Defendant has violated various laws and regulations applicable to the conduct of its business as set forth in the Commissioner's notice, and that, pursuant to Virginia Code § 6.1-425(A)(2), its license should be revoked. Accordingly,

IT IS ORDERED that the license granted to Westhampton Mortgage Company, Inc. to engage in business as a mortgage lender and broker be, and it is hereby, revoked.

CASE NO. BFI880397
JUNE 19, 1990

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

ORDER REVOKING LICENSE

ON A FORMER DAY the Commissioner of Financial Institutions reported to the Commission that the Defendant, Dulles Mortgage, Incorporated, 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 the annual report required by Virginia Code § 6.1-418 by March 25, 1990; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 18, 1990 that its license would be revoked on May 14, 1990 unless an annual report was filed by May 3, 1990, and that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 3, 1990; and that no annual report, or written request for hearing, was filed by the Defendant.

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

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

CASE NO. BFI880504
MAY 31, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
XE V. NGUYEN,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY the Commissioner of Financial Institutions reported to the Commission that the Defendant, Xe V. Nguyen, 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 15, 1990; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 16, 1990, that his license would be revoked on May 16, 1990, 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 May 1, 1990; 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 Xe V. Nguyen to engage in business as a mortgage broker be, and it is hereby, revoked.

CASE NO. BFI890034
FEBRUARY 16, 1990

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

FINAL JUDGMENT ORDER

On April 10, 1989, the Commission imposed a fine against the Defendant in this case of $183,000 and enjoined the Defendant, and others, from engaging in business as a mortgage broker without a license. By Order of May 1, 1989, the Commission suspended payment of the fine, pending appeal, but no appeal was perfected. Staff Counsel has given Defendant, by letter to its counsel, notice that Defendant would be afforded an opportunity to appear and be heard concerning reimposition of the fine, but Defendant did not respond. Accordingly, it is

ADJUDGED AND ORDERED that Defendant pay to the Commonwealth a penalty in the total sum of one hundred eighty-three thousand dollars ($183,000); and that said sum be remitted by cashier's check or certified check payable to the Treasurer of Virginia, and sent to the Commissioner of Financial Institutions, 701 E. Byrd Street, Suite 1101, P.O. Box 2AE, Richmond, Virginia 23205 on or before March 15, 1990.

CASE NO. BFI890038
APRIL 12, 1990

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

ORDER REVOKING LICENSE

ON A FORMER DAY the Commissioner of Financial Institutions reported to the Commission that the Defendant, Executive Mortgage Corporation, 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 March 18, 1990; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on March 7, 1990 that its license would be revoked on March 30, 1990 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 March 22, 1990; 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 Executive Mortgage Corporation to engage in business as a mortgage broker be, and it is hereby, revoked.

CASE NO. BFI890046
APRIL 12, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
JAMES A. STEWART, t/a HOMECORP MORTGAGE,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY the Commissioner of Financial Institutions reported to the Commission that the Defendant, James A. Stewart t/a Homecorp Mortgage, 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 March 27, 1990; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on March 7, 1990 that his license would be revoked on March 30, 1990 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 March 22, 1990; 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 James A. Stewart t/a Homecorp Mortgage to engage in business as a mortgage broker be, and it is hereby, revoked.

CASE NO. BFI890084
JUNE 19, 1990

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

ORDER REVOKING LICENSE

ON A FORMER DAY the Commissioner of Financial Institutions reported to the Commission that the Defendant, Pinnacle Financial, Inc., 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 the annual report required by Virginia Code § 6.1-418 by March 25, 1990; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 18, 1990 that its license would be revoked on May 14, 1990 unless an annual report was filed by May 3, 1990, and that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 3, 1990; and that no annual report, or written request for hearing, was filed by the Defendant.

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

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

CASE NO. BFI890249
SEPTEMBER 14, 1990

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

ORDER REVOKING LICENSE

ON A FORMER DAY the Commissioner of Financial Institutions reported to the Commission that the Defendant, Mortgage Loan Network, 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 a bond filed by the Defendant pursuant to Virginia Code § 6.1-413 was cancelled on April 17, 1990; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail that its license would be revoked unless a new bond was filed, and that a written request for hearing was required to be filed in the Office of the Clerk of the Commission; 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 Mortgage Loan Network, Inc. to engage in business as a mortgage lender and broker be, and it is hereby, revoked.

CASE NO. BFI890293
APRIL 12, 1990

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

ORDER REVOKING LICENSE

ON A FORMER DAY the Commissioner of Financial Institutions reported to the Commission that the Defendant, Shireen Hubbard, 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 March 28, 1990; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on March 7, 1990 that her license would be revoked on March 30, 1990 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 March 22, 1990; 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 Shireen Hubbard to engage in business as a mortgage broker be, and it is hereby, revoked.

CASE NO. BFI890297
JANUARY 24, 1990

APPLICATION OF
SECOND NATIONAL FEDERAL SAVINGS BANK
Salisbury, Maryland

To acquire Sunrise Federal Savings and Loan Association

ORDER OF APPROVAL

ON A FORMER DAY came Second National Federal Savings Bank, a federal savings bank having its main office in Salisbury, Maryland, and filed its application pursuant to Article 11 of Chapter 3.01 of Title 6.1 of the Code of Virginia (Va. Code § 6.1-194.96, ff.), to acquire Sunrise Federal Savings and Loan Association, a Virginia savings institution having its sole office in Fairfax, Virginia. The application was referred to the Bureau of Financial Institutions for investigation, and notice of the application was published in the Bureau's Weekly Information Bulletin dated September 1, 1989. No objection to the proposed acquisition was received.

Having considered the relevant statutes of Virginia and of Maryland (Maryland Code § 9-1001, ff.) and the Bureau's report of investigation herein, the Commission is of the opinion and finds that the statutory prerequisites to approval of the application set forth in Va. Code § 6.1-194.98 are present in this case, viz:

(1) Second National Federal Savings Bank is a regional savings institution, as defined in Va. Code § 6.1-194.96, and is insured by the Federal Savings and Loan Insurance Corporation;

(2) The laws of Maryland permit Virginia savings institutions meeting the criteria of Article 11 to acquire savings institutions and savings institution holding companies in that state;

(3) The laws of Maryland would permit this particular applicant to be acquired by Sunrise Federal Savings and Loan Association; and

(4) Sunrise Federal Savings and Loan Association has been in existence and continuously operating for more than two years.

Furthermore, based on the application and the Bureau's report of investigation, the Commission determines, pursuant to Code § 6.1-194.99, that:

(1) The proposed acquisition would not be detrimental to the safety or soundness of the applicant or Sunrise Federal Savings and Loan Association;

(2) The applicant, its officers and directors are qualified by character, experience, and financial responsibility to control and operate a Virginia savings institution;

(3) The proposed acquisition would not be prejudicial to the interests of depositors, creditors, beneficiaries of fiduciary accounts, or shareholders of the applicant or of Sunrise Federal Savings and Loan Association; and

(4) The acquisition is in the public interest.

Therefore, the Commission hereby approves the acquisition of Sunrise Federal Savings and Loan Association by Second National Federal Savings Bank, subject to the following condition: that, in accordance with Va. Code § 6.1-194.98, Subsection 4, Second National Federal Savings Bank file with the Bureau copies of all regular and periodic reports that Second National Federal Savings Bank is required to file under § 13 or § 15 (d) of the Securities Exchange Act of 1934, as amended, (excluding any portions thereof not required to be made available to the public) and that Second National Federal Savings Bank also file with the Bureau copies of any post-acquisition information or report that is or may be required to be filed with the Division Director of Maryland pursuant to Md. Code § 9-1006 (b) (2) and § 9-1008 (d).*

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

*Subsection 4 of Va. Code § 6.1-194.98 directs the Commission to make its approval of a Chapter 11 acquisition subject to "any conditions, restrictions, requirements, or other limitations that would apply to the acquisition by a Virginia savings institution of a savings institution...in the state where the regional savings institution making the acquisition has its principal place of business but that would not apply to the acquisition of a savings institution...in such state by a savings institution located in that state." The reporting requirements of Md. Code § 9-1006 (b) apparently would not apply to an intra-state acquisition under the terms of Md. Code § 216.

CASE NO. BFI890363
AUGUST 15, 1990

APPLICATION OF
MARATHON FINANCIAL CORPORATION

Pursuant to Title 6.1, Chapter 13, Code of Virginia

ORDER GIVING NOTICE OF INTENT NOT TO DISAPPROVE AN ACQUISITION

ON A FORMER DAY came Marathon Financial Corporation and filed its application, as required by Virginia Code § 6.1-383.1, to acquire 100 percent of the shares of The Marathon Bank, Stephens City, Frederick 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 § 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 § 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 Marathon Bank by Marathon Financial Corporation and orders that this matter be placed among the ended cases.

CASE NO. BFI890375
JANUARY 5, 1990

APPLICATION OF
THOMAS A. DEAN

Pursuant to § 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Thomas A. Dean and filed his application, as required by Virginia Code § 6.1-416.1, to acquire 50 percent of the shares of The Mortgage Group, 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 50 percent of the shares of The Mortgage Group, Inc. by Thomas A. Dean, and orders that this matter be placed among the ended causes.

CASE NO. BFI890377
JANUARY 5, 1990

APPLICATION OF
TONY M. CORDERA

Pursuant to § 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Tony M. Cordera and filed his application, as required by Virginia Code § 6.1-416.1, to acquire 50 percent of the shares of The Mortgage Group, 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 50 percent of the shares of The Mortgage Group, Inc. by Tony M. Cordera, and orders that this matter be placed among the ended cases.

CASE NO. BFI890396
JANUARY 5, 1990

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 Virginia Code Section 6.1-406, to acquire Clifton Trust Bank, Cockeysville, Maryland. 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 Clifton Trust Bank by First Virginia Banks, Inc. This matter shall be placed among the ended causes.

CASE NO. BFI900018
MARCH 15, 1990

VIRGINIA FINANCIAL SERVICES ASSOCIATION
v.
COMMISSIONER OF FINANCIAL INSTITUTIONS

OPINION AND FINAL ORDER

Opinion, Shannon, Chairman:

On December 18, 1989, the Virginia Financial Services Association and the Virginia Mortgage Bankers Association ("Petitioners") filed a petition with the State Corporation Commission, accompanied by a supporting brief, requesting a review of Administrative Ruling XI-1, Consumer Finance Circular 89-2. This Ruling, which was issued by the Commissioner of Financial Institutions on September 26, 1989, pertains to the Virginia Mortgage Lender and Broker Act, Virginia Code § 6.1-408 et seq., and, specifically, sets forth the Commissioner's interpretation of portions of Virginia Code § 6.1-330.71 which relates to loans secured by subordinate mortgages, to charges allowed, and to requirements pertaining to insurance. The essence of the Ruling forbids the adding of loan fees or additional charges (hereinafter referred to as "points") to the principal amount of a loan and then charging interest on the aggregate sum thereof.

On January 31, 1990, the Staff filed an answer and a responsive brief pursuant to our order dated January 12; oral argument was heard by the Commission on February 8, 1990. Counsel appearing were John W. Edmonds, III, for the Petitioners and Jonathan B. Orne for the Commission's Staff.

In the brief in support of their petition, the Petitioners contend that Virginia Code § 6.1-330.71 permits points which are charged on a subordinate mortgage loan to be treated as part of the principal amount of the loan, and that interest may be charged on such points, for the following reasons: 1) subsection E of § 6.1-330.71 allows "points or charges" to be "added to a loan"; 2) the definition of "loan" in Virginia Code § 6.1-330.49 is sufficiently broad to include points which the lender forbears from collecting at the time of making the loan; and 3) Virginia law regarding the compounding of interest does not prohibit the promise to pay interest on interest which is due when the promise is made. The Staff disagrees, contending that allowing points to be considered part of the principal amount of a loan on which interest is charged would violate Virginia Code § 6.1-330.71 and would constitute unlawful compounding of interest.

Having considered the briefs and arguments in this case, the Commission finds that Virginia Code § 6.1-330.71 allows points to be added to the principal amount of a loan made under the statute, thereby allowing interest to be charged thereon. Subsections D(3) and E of the statute read as follows:

> D. 3. In addition to the interest and loan fee permitted under subdivision 1 of this subsection and subdivision 2 of this subsection, no more than a three percent total charge for discount, initial interest, points or charges by any other name may be collected, charged or added to the instrument of indebtedness.
>
> E. Except as allowed in subsection D above, no discount, initial interest, points or charges by any other name may be collected, charged or added to a loan secured by a subordinate mortgage or deed of trust upon such residential real estate. (emphasis added)

Thus, Subsection E provides that no points may be added to a loan, "Except as allowed in subsection D . . .," while Subsection D(3) states that certain charges such as points may be "added to the instrument of indebtedness." It is obvious that adding such points to a loan made under the statute will increase the principal amount of the loan upon which interest may be charged, and that such a result is proper under the statute. Therefore, we conclude that interest may be charged on points when they are included in the principal of the loan and financed, rather than paid initially by the borrower. Since we find the statutory provisions to be clear, it is unnecessary for us to consider arguments on the broader issue of compounding of interest.

Accordingly,

IT IS, THEREFORE, ORDERED:

(1) That the Administrative Ruling XI-1, Consumer Finance Circular 89-2, issued by the Bureau of Financial Institutions regarding charges on subordinate mortgage loans by certain lenders, is vacated, and the Commissioner of Financial Institutions shall issue a new Administrative Ruling reflecting the conclusions in this order.

(2) That there being nothing further to come before the Commission, this case shall be removed from the docket and the record developed herein placed in the file for ended causes.

CASE NO. BFI900024
FEBRUARY 8, 1990

APPLICATION OF
MILTON SCHNEIDERMAN

Pursuant to § 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Milton Schneiderman and filed his application, as required by Virginia Code § 6.1-416.1, to acquire 81 percent of the shares of TMC 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 § 6.1-416.1. Therefore, the Commission hereby approves the acquisition of 81 percent of the shares of TMC Mortgage Corporation by Milton Schneiderman, and orders that this matter be placed among the ended cases.

CASE NO. BFI900031
JANUARY 19, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte, in re: Promulgation of rules pursuant to Va. Code § 6.1-302 (Consumer Finance Act)

ORDER

On or about September 25, 1989, the Commissioner of Financial Institutions, pursuant to delegated authority, disseminated to interested persons notice that contained proposed rules designed to implement the provisions of Va. Code § 6.1-267, and that advised such persons that comments and requests for a hearing on the proposed rules must be received by October 30, 1989. No request for a hearing was received, but a number of written comments were filed.

The proposed rules are intended to standardize and clarify the conditions under which the business of extending open-end credit or the business of mortgage lending may be conducted in licensed consumer finance offices, after application and approval, and prevent violation or evasion of the Consumer Finance Act in connection with either such business.

The Commission, after reviewing the proposed rules and comments received, deemed it appropriate to modify the proposed rules in certain respects and, upon consideration of said rules as modified, is of the opinion and finds that they should be adopted; accordingly, it is

ORDERED that the aforesaid modified rules entitled "Rules Governing Open-End Credit Business in Licensed Consumer Finance Offices" and "Rules Governing Real Estate Mortgage Business in Licensed Consumer Finance Offices", attached hereto and made a part hereof, be, and the same hereby are, adopted and shall become effective February 1, 1990.

NOTE: Copies of "Rules Governing Open-End Credit Business in Licensed Consumer Finance Offices" and "Rules Governing Real Estate Mortgage Business in Licensed Consumer Finance Offices" are on file and may be examined at the State Corporation Commission, Document Control Center, Floor B-1, Jefferson Building, Bank and Governor Streets, Richmond, Virginia.

CASE NO. BFI900032
JANUARY 25, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
EDWARD C. PETERSON, t/a STRETCH - IT,
Defendant.

ORDER REVOKING LICENSE

ON A FORMER DAY the Staff reported to the Commission that the Defendant, Edward C. Peterson, t/a Stretch-It, is a licensed mortgage lender and broker under Chapter 16 of Title 6.1 of the Virginia Code; that on July 6, 1989 the Defendant was notified that he must file additional information in order to complete the annual report required by Va. Code § 6.1-418, but failed to do so; that the Commissioner of Financial Institutions, pursuant to delegated authority, gave written notice to the Defendant by certified mail on December 18, 1989 that his license would be revoked on January 18, 1990 unless the annual report was filed by that date, and that a request for hearing should be filed with the Clerk of the Commission by January 2, 1990; and that no request for hearing, or annual report, has been filed.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by Va. Code § 6.1-418, and it is

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

CASE NO. BFI900032
FEBRUARY 13, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
EDWARD C. PETERSON t/a STRETCH-IT,
Defendant

ORDER REINSTATING LICENSE

On February 9, 1990 the Defendant, by counsel, filed a Petition seeking review of an Order entered in this case on January 25, 1990 revoking the license granted to the Defendant to engage in business as a mortgage lender and broker; and the Commissioner of Financial Institutions recommended that the Defendant's license be reinstated. Upon consideration of said Petition and recommendation, it is

ORDERED that the Order entered on January 25, 1990 be, and it is hereby, vacated, and it is

ORDERED that the license granted to the Defendant to engage in business as a mortgage lender and broker be, and it is hereby, reinstated effective as of January 25, 1990.

CASE NO. BFI900033
JANUARY 25, 1990

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

ORDER REVOKING LICENSE

ON A FORMER DAY the Staff reported to the Commission that the Defendant, SFC Mortgage Group of Virginia, Inc., is a licensed mortgage lender and broker under Chapter 16 of Title 6.1 of the Virginia Code; that on July 6, 1989 the Defendant was notified that it must file additional information in order to complete the annual report required by Va. Code § 6.1-418, but failed to do so; that the Commissioner of Financial Institutions, pursuant to delegated authority, gave written notice to the Defendant by certified mail on December 18, 1989 that its license

would be revoked on January 18, 1990 unless the annual report was filed by that date, and that a request for hearing should be filed with the Clerk of the Commission by January 2, 1990; and that no request for hearing, or annual report, has been filed.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by Va. Code § 6.1-418, and it is

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

CASE NO. BFI900040
JULY 23, 1990

APPLICATION OF
ROCKINGHAM HERITAGE BANK

For a certificate of authority to begin business as a bank at 110 University Boulevard, City of Harrisonburg, Virginia

ON A FORMER DAY came the applicant and filed its application for a certificate of authority, under Chapter 2, Title 6.1 of the Code of Virginia, to begin business as a bank at 110 University Boulevard, City of Harrisonburg, Virginia. Thereupon the application was referred to the Commissioner of Financial Institutions for investigation and report.

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

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

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

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

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

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

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

THEREFORE, IT IS ORDERED that a certificate of authority authorizing Rockingham Heritage Bank to do a banking business at 110 University Boulevard, City of Harrisonburg, Virginia, be granted, and said certificate hereby is granted, subject to and contingent upon the following conditions being met before the bank opens for business:

1. That capital funds totaling $3,114,900 be paid into the bank and allocated as follows: $1,557,450 to capital stock, $778,725 to surplus, and $778,725 to a reserve for operation;

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

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

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

CASE NO. BFI900056
MARCH 23, 1990

APPLICATION OF
FIRST PATRIOT BANKSHARES 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 First Patriot Bankshares Corporation and filed its application, as required by Virginia Code § 6.1-383.1, to acquire 100 percent of the shares of Patriot National Bank of Reston (organizing), Reston, Fairfax 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 § 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 § 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 Patriot National Bank of Reston (organizing) by First Patriot Bankshares Corporation and orders that this matter be placed among the ended cases.

CASE NO. BFI900064
FEBRUARY 12, 1990

APPLICATION OF
PRIMERICA CORPORATION

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Primerica Corporation and filed its application, as required by Virginia Code Section 6.1-416.1, to acquire 100 percent of the shares of ALW Home Mortgages, 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 shares of ALW Home Mortgages, Inc. by Primerica Corporation, and orders that this matter be placed among the ended cases.

CASE NO. BFI900066
MARCH 1, 1990

APPLICATION OF
FIRST VIRGINIA BANK - SOUTH CENTRAL

For a certificate of authority to: (1) do a banking business upon the merger of First Virginia Bank-South into First Virginia Bank-South Central under the charter of the latter and title of First Virginia Bank-Piedmont and (2) operate the main office of the now First Virginia Bank-South and its four branch offices

ON A FORMER DAY came First Virginia Bank-South Central, the surviving bank in a proposed merger with First Virginia Bank-South and subject to the issuance by the Commission of a certificate of merger of said banks, applied to the Commission for (1) Certificate of authority to do a banking business at 7901 Timberlake Road, Lynchburg, Virginia and elsewhere in this State as it may now or hereafter be authorized by law; and (2) Authority to operate the main office of the now First Virginia Bank-South at Staunton Plaza Shopping Center, Hurt, Pittsylvania County; and the following four offices; (1) Westover Drive & James Road, Pittsylvania County; (2) 1017 West Main Street, City of Danville; (3) Ridge & Patton Streets, City of Danville; and (4) 1410 Piney Forest Road, City of Danville, Virginia as branch offices. 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 should be issued to the applicant, effective upon the issuance by the Commission of a certificate of merger of First Virginia Bank-South into First Virginia Bank-South Central and with respect thereto the Commission finds: (1) That all of the provisions of law with respect to said bank and its application for a certificate of authority to begin business have been complied with; (2) that the surviving bank's capital stock will be $4,000,000 and its surplus and reserve for operations will amount to not less than $7,195,000; (3) that, in its opinion, the public interest will be served by additional banking facilities in the community where the applicant is proposed to be; (4) 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; (5) that the bank 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 are such as to command the confidence of the community in which the bank is proposed to be located; and (7) that its deposits are to be insured by the Federal Deposit Insurance Corporation.

THE COMMISSION is further of the opinion and finds that, subject to the issuance by the Commission of a certificate of merger, and of amendment and restatement changing the name of First Virginia Bank-South Central to First Virginia Bank-Piedmont, the public interest will be served by authorizing the applicant, First Virginia Bank-South Central, the surviving bank in such merger, and to operate the main office and four branch offices.

IT IS THEREFORE, ORDERED:

That effective upon the issuance by the Commission of a certificate of merger to First Virginia Bank-South Central, the surviving bank in a proposed merger of First Virginia Bank-South, and of amendment and restatement changing the name of First Virginia Bank-South Central to First Virginia Bank-Piedmont, a certificate be, and it is hereby, granted First Virginia Bank-Piedmont (formerly First Virginia Bank-South Central) authorizing it to do a banking business at 7901 Timberlake Road, Lynchburg, Virginia and elsewhere in this State as authorized by law, and to operate the aforesaid branch offices.

CASE NO. BFI900067
MARCH 1, 1990

APPLICATION OF
FIRST VIRGINIA BANK - DAMASCUS

For a certificate of authority to: (1) do a banking business upon the merger of First Virginia Bank of the Cumberlands into First Virginia Bank-Damascus under the charter of the latter and title of First Virginia Bank- Mountain Empire and (2) operate the main office of the now First Virginia Bank of the Cumberlands and its three branch offices

ON A FORMER DAY came First Virginia Bank-Damascus, the surviving bank in a proposed merger with First Virginia Bank of the Cumberlands and subject to the issuance by the Commission of a certificate of merger of said banks, applied to the Commission for (1) Certificate of authority to do a banking business at Laurel Avenue, Damascus, Virginia, and elsewhere in this State as it may now or hereafter be authorized by law; and (2) Authority to operate the main office of the now First Virginia Bank of the Cumberlands at Chase Street and Alley 7, Clintwood, Dickenson County, Virginia; and the following three offices; (1) Pound, Wise County; (2) Main Street, Pound, Wise County; and (3) Intersection of U. S. Route 23, Business & U. S. Route 23, Bypass, Wise County, Virginia as branch offices. 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 should be issued to the applicant, effective upon the issuance by the Commission of a certificate of merger of First Virginia Bank of the Cumberlands into First Virginia Bank-Damascus and with respect thereto the Commission finds: (1) That all of the provisions of law with respect to said bank and its application for a certificate of authority to begin business have been complied with; (2) that the surviving bank's capital stock will be $5,000,000 and its surplus and reserve for operations will amount to not less than $6,746,000; (3) that, in its opinion, the public interest will be served by additional banking facilities in the community where the applicant is proposed to be; (4) 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; (5) that the bank 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 are such as to command the confidence of the community in which the bank is proposed to be located; and (7) that its deposits are to be insured by the Federal Deposit Insurance Corporation.

THE COMMISSION is further of the opinion and finds that, subject to the issuance by the Commission of a certificate of merger, and of amendment and restatement changing the name of First Virginia Bank-Damascus to First Virginia Bank-Mountain Empire, the public interest will be served by authorizing the applicant, First Virginia Bank-Damascus, the surviving bank in such merger, and to operate the main office and three branch offices.

IT IS THEREFORE, ORDERED:

That effective upon the issuance by the Commission of a certificate of merger to First Virginia Bank-Damascus, the surviving bank in a proposed merger of First Virginia Bank of the Cumberlands, and of amendment and restatement changing the name of First Virginia Bank-Damascus to First Virginia Bank-Mountain Empire, a certificate be, and it is hereby, granted First Virginia Bank-Mountain Empire (formerly First Virginia Bank-Damascus) authorizing it to do a banking business at Laurel Avenue, Damascus, Virginia and elsewhere in this State as authorized by law, and to operate the aforesaid branch offices.

CASE NO. BFI900073
APRIL 24, 1990

APPLICATION OF
PREMIER BANKSHARES 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 Premier Bankshares Corporation and filed its application, as required by Virginia Code § 6.1-383.1, to acquire 100 percent of the shares of Shawsville Bancorp, Inc., Shawsville, 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 § 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 § 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 Shawsville Bancorp, Inc. by Premier Bankshares Corporation and orders that this matter be placed among the ended cases.

CASE NO. BFI900075
APRIL 12, 1990

APPLICATION OF
AVANTOR FINANCIAL CORPORATION

Pursuant to Title 6.1, Chapter 13, Code of Virginia

ORDER GIVING NOTICE OF INTENT NOT TO DISAPPROVE AN ACQUISITION

ON A FORMER DAY came Avantor Financial Corporation, a Delaware corporation, and applied, pursuant to Virginia Code § 6.1-383.1, to acquire 100 percent of the shares of Sovran Financial Corporation, Norfolk, Virginia and to control Sovran Bank, N.A., a Virginia financial institution. 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 § 6.1-383.1. Finding also no reasonable basis for taking any of the other actions permitted by the provisions of § 6.1-383.2 of the Code, the Commission hereby issues this notice of its intent not to disapprove the application of Avantor Financial Corporation to acquire 100 percent of the shares of Sovran Financial Corporation and control of Sovran Bank, N.A. and orders that this matter be placed among the ended cases.

CASE NO. BFI900076
MAY 7, 1990

APPLICATION OF
THE CITIZENS AND SOUTHERN CORPORATION
Atlanta, Georgia

To acquire up to 16.6 percent of the voting shares of Sovran Financial Corporation (Norfolk, Virginia)

ORDER OF APPROVAL

ON A FORMER DAY came The Citizens and Southern Corporation, a Georgia Bank Holding Company having its main office in Atlanta, Georgia, pursuant to Chapter 15 of Title 6.1 of the Code of Virginia (Va. Code § 6.1-398, ff.), and applied to acquire up to 16.6 percent of the voting shares of Sovran Financial Corporation, a Virginia bank holding company having its main office in Norfolk, Virginia. The application was referred to the Bureau of Financial Institutions for an investigation. Notice of the application was published in the Bureau of Financial Institutions' Weekly Information Bulletin dated February 2, 1990, and no objection to the proposed acquisition was received.

Having considered initially the relevant statutes of Virginia and of Georgia [Ga. Code Ann. §§ 7-1-620 through 7-1-626.] and the Bureau's report of investigation herein, the Commission is of the opinion and finds that the statutory prerequisites to approval of the application set forth in Code § 6.1-399 are met in this case, viz:

(1) The laws of Georgia permit Virginia bank holding companies meeting the criteria of Chapter 15 to acquire banks and bank holding companies in that jurisdiction;

(2) The laws of Georgia permit this particular transaction to be done in reverse, i.e., Georgia law would allow Sovran Financial Corporation to acquire The Citizens and Southern Corporation; and

(3) All of the bank subsidiaries of Sovran Financial Corporation have been in existence and continuously operating for more than two years.

Based upon the application and the Bureau's report of investigation, the Commission further determines, pursuant to Code § 6.1-400, that

(1) The proposed acquisition would not be detrimental to the safety or soundness of the applicant or Sovran Financial Corporation;

(2) The applicant, its officers and directors, are qualified by character, experience and financial responsibility to control and operate a Virginia bank holding company;

(3) The proposed acquisition would not be prejudicial to the interests of depositors, creditors, beneficiaries of fiduciary accounts or shareholders of the applicant or Sovran Financial Corporation; and

(4) The acquisition is in the public interest.

Therefore, the Commission hereby approves the application of The Citizens and Southern Corporation to acquire up to 16.6 percent of the voting shares of Sovran Financial Corporation. There being nothing further to be done in this matter, it shall be placed among the ended cases.

CASE NO. BFI900077
MARCH 30, 1990

APPLICATION OF
JOHN F. LONG

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came John F. Long and filed his application, as required by Virginia Code Section 6.1-416.1, to acquire 76.7 percent of the shares of Long Investments, 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 76.7 percent of the shares of Long Investments, Inc. by John F. Long and orders that this matter be placed among the ended cases.

CASE NO. BFI900080
APRIL 24, 1990

APPLICATION OF
RESIDENTIAL SERVICES CORPORATION OF AMERICA

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Residential Services Corporation of America and filed this application, as required by Virginia Code Section 6.1-416.1, to acquire 100 percent of the shares of The Prudential Home 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 shares of The Prudential Home Mortgage Company, Inc. by Residential Services Corporation of America, and orders that this matter be placed among the ended cases.

CASE NO. BFI900081
MAY 7, 1990

APPLICATION OF
AVANTOR FINANCIAL CORPORATION

Pursuant to § 6.1-406 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Avantor Financial Corporation, a Delaware corporation, and on behalf of Sovran Financial Corporation and Sovran Bank, N.A. filed notice, pursuant to Virginia Code § 6.1-406, to acquire The Citizens and Southern Corporation, Atlanta, Georgia and its bank subsidiaries as follows: The Citizens and Southern National Bank, Atlanta, Georgia; The Citizens and Southern National Bank of S. C., Columbia, South Carolina; The Citizens and Southern National Bank of Florida, Fort Lauderdale, Florida; Citizens and Southern Trust Company (Georgia), National Association, Atlanta, Georgia; Citizens and Southern Trust Company (Florida), National Association, Fort Myers, Florida; Citizens and Southern Trust Company (South Carolina), National Association, Columbia, South Carolina; The Citizens and Southern Bank of Duval County, Neptune Beach, Florida; and The Citizens and Southern Bank of Monore County, Marathon, Florida (formerly The Marine Bank of Monroe County) and the bank subsidiaries of Sovran Financial Corporation as follows: Sovran Bank/Maryland, Bethesda, Maryland; Sovran Bank/DC National, Washington D.C.; Sovran Bank/Delaware, Dover, Delaware; Sovran Bank/Central South, Nashville, Tennessee; Sovran Bank/Chattanooga, Chattanooga, Tennessee; Sovran Bank/Greeneville, Greeneville, Tennessee; Sovran Bank/Hickman County, Centerville, Tennessee; Sovran Bank/Memphis, Memphis, Tennessee; Sovran Bank/Tri-Cities, Johnson City, Tennessee; Sovran Bank/Union City, Union City, Tennessee; and Sovran Bank/Kentucky, Hopkinsville, Kentucky. Sovran Financial Corporation is a Virginia financial institution holding company and Sovran Bank, N.A. is a Virginia financial institution within the terms of Virginia Code § 6.1-398. 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. Accordingly, the Commission hereby approves the acquisition of The Citizens and Southern Corporation and its eight bank subsidiaries, and the eleven bank subsidiaries of Sovran Financial Corporation by Avantor Financial Corporation. This matter shall be placed among the ended cases.

CASE NO. BFI900084
MARCH 13, 1990

APPLICATION OF
NCNB CORPORATION

Pursuant to § 6.1-406 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came NCNB Corporation and filed its notice, as required by Virginia Code § 6.1-406, to acquire Carolina Mountain Holding Company, Highlands, North Carolina. 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 Carolina Mountain Holding Company by NCNB Corporation. This matter shall be placed among the ended cases.

CASE NO. BFI900092
MARCH 23, 1990

APPLICATION OF
BANCSHARES 2000, INC.

Pursuant to § 6.1-406 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Bancshares 2000, Inc. and filed its notice, as required by Virginia Code § 6.1-406, to acquire Jefferson Bank and Trust Company, Greenbelt, Maryland. 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 Jefferson Bank and Trust Company by Bancshares 2000, Inc. This matter shall be placed among the ended cases.

CASE NO. BFI900093
MARCH 1, 1990

COMMONWEALTH OF VIRGINIA ex rel.
STATE CORPORATION COMMISSION
v.
NATIONAL HOMES EMPLOYEES CREDIT UNION
Route 220, Roanoke Road
P.O. Box 578
Collinsville, VA 24078

ORDER TO LIQUIDATE THE CREDIT UNION

IT APPEARING to the Commission from a joint examination of the subject credit union as of January 31, 1990, that National Homes Employees Credit Union, a state-chartered credit union insured by the National Credit Union Share Insurance Fund, is insolvent,

IT IS ORDERED that, pursuant to Virginia Code § 6.1-223, the Bureau of Financial Institutions take possession of the business and property of National Homes Employees Credit Union, and then promptly transfer that business and property to a designated agent of the National Credit Union Administration for liquidation.

CASE NO. BFI900093
JUNE 20, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
NATIONAL HOMES EMPLOYEES CREDIT UNION
Route 220, Roanoke Road
P.O. Box 578
Collinsville, Virginia 24078

DISMISSAL ORDER

IT APPEARING to the Commission from correspondence from J. Leonard Skiles, President, Asset Liquidation Management Center, National Credit Union Administration (Region V), and from counsel and Staff memoranda, that there is nothing further to be done by the Commission with regard to this matter,

IT IS ORDERED that this case be dismissed and placed among the ended causes.

CASE NO. BFI900103
SEPTEMBER 5, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
MONUMENT MORTGAGE CORPORATION
1610 Forest Avenue, Suite 114
Richmond, Virginia 23288

DISMISSAL ORDER

TODAY the Bureau of Financial Institutions, by counsel, moved that the hearing in this matter be dispensed with and that the case be dismissed.

IT APPEARING to the Commission that the subject license has been surrendered, that Monument Mortgage has bound itself to cease doing business as a mortgage broker, and that the Bureau is agreeable to dismissing the case, the motion is granted. The hearing in this matter is canceled, and the case is dismissed. This matter shall be placed among the ended cases.

CASE NO. BFI900118
MAY 25, 1990

APPLICATION OF
FIRST COMMONWEALTH FINANCIAL CORP.

To acquire the stock of a savings and loan association

ORDER APPROVING THE ACQUISITION OF A SAVINGS AND LOAN ASSOCIATION

ON A FORMER DAY came First Commonwealth Financial Corp. and filed its application, as required by Virginia Code § 6.1-194.87 and Virginia Savings and Loan Regulation 1-84 (designated Regulation III-I in the Bureau of Financial Institutions' Register of Regulations), to acquire 100 percent of the shares of First Commonwealth Savings Bank. The application was referred to the Bureau of Financial Institutions for investigation.

Having considered the application and the report of the Bureau of Financial Institutions, the Commission is of the opinion and finds that: (1) The proposal to control will not be detrimental to the safety and soundness of any financial institution or holding company involved in the transaction; (2) The applicant is qualified to control and operate a state association; (3) The proposed acquisition will not be prejudicial to the interests of depositors, creditors, beneficiaries of fiduciary accounts and shareholders of any Virginia financial institution involved; (4) The proposed acquisition will not result in a monopoly or substantially lessen competition; and (5) The acquisition is not otherwise contrary to the public interest. And the Commission further finds that the proposed acquisition is in the public interest, and that the application should be granted subject to the condition hereinafter stated:

ACCORDINGLY IT IS ORDERED that First Commonwealth Financial Corp. be authorized to acquire 100 percent of the shares of First Commonwealth Savings Bank provided that the applicant acquire said institution within one year from this date.

CASE NO. BFI900121
MAY 22, 1990

APPLICATION OF
ESSEX FINANCIAL PARTNERS, L.P.

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 Essex Financial Partners, L.P., a Delaware limited partnership, and filed its application, as required by Virginia Code § 6.1-383.1, to acquire 100 percent of the shares of Norfolk Industrial Loan Association, Norfolk, 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 § 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 § 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 Norfolk Industrial Loan Association by Essex Financial Partners, L.P. and orders that this matter be placed among the ended cases.

CASE NO. BFI900134
JULY 23, 1990

APPLICATION OF
THE HORIZON BANK OF VIRGINIA

For a certificate of authority to begin business as a bank at 8414 Lee Highway, Merrifield, Fairfax County, Virginia.

ON A FORMER DAY came the applicant and filed its application for a certificate of authority, under Chapter 2, Title 6.1 of the Code of Virginia, to begin business as a bank at 8414 Lee Highway, Merrifield, Fairfax County, Virginia. Thereupon the application was referred to the Commissioner of Financial Institutions for investigation and report.

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

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

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

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

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

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

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

THEREFORE, IT IS ORDERED that a certificate of authority authorizing The Horizon Bank of Virginia to do a banking business at 8414 Lee Highway, Merrifield, Fairfax County, Virginia, be granted, and said certificate hereby is granted, subject to and contingent upon the following conditions being met before the bank opens for business:

1. That capital funds totaling $6,420,500 be paid into the bank and allocated as follows: $3,210,250 to capital stock, $1,605,125 to surplus, and $1,605,125 to a reserve for operation;

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

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

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

CASE NO. BFI900138
JUNE 29, 1990

APPLICATION OF
UNITED BANKSHARES, INC.
Charleston, West Virginia

To acquire BankFirst Corp. and its subsidiary, Bank First, National Association (McLean, Virginia)

ORDER OF APPROVAL

ON A FORMER DAY came United Bankshares, Inc., a bank holding company having its principal place of business in West Virginia, and filed its application pursuant to Chapter 15 of Title 6.1 of the Code of Virginia (Va. Code § 6.1-398, ff.) to acquire BankFirst Corp., a Delaware corporation which is a Virginia Bank holding company having its main office in McLean, Virginia, and its subsidiary, Bank First, National Association. The application was referred to the Bureau of Financial Institutions for an investigation. Notice of the application was published in the Bureau of Financial Institutions' Weekly Information Bulletin dated April 13, 1990, and no objection to the proposed acquisition was received.

Having considered the relevant statutes of Virginia and of West Virginia and the Bureau's report of investigation herein, the Commission is of the opinion and finds that the statutory prerequisites to approval of the application set forth in Code § 6.1-399 are met in this case, viz:

(1) The laws of West Virginia permit Virginia bank holding companies meeting the criteria of Chapter 15 to acquire banks and bank holding companies in that jurisdiction;

(2) The laws of West Virginia would permit this particular transaction to be done in reverse, i.e., West Virginia law would allow BankFirst Corp. to acquire United Bankshares, Inc.; and

(3) Bank First, National Association, the only bank subsidiary of BankFirst Corp., opened for business December 11, 1987, and has operated continuously since that date, a period of more than two years.

Based upon the application and the Bureau's report of investigation, the Commission further determines, pursuant to Code § 6.1-400, that

(1) The proposed acquisition would not be detrimental to the safety or soundness of the applicant or BankFirst Corp. or its subsidiary Bank First, National Association;

(2) The applicant, its officers and directors, are qualified by character, experience and financial responsibility to control and operate a Virginia bank;

(3) The proposed acquisition would not be prejudicial to the interests of depositors, creditors, beneficiaries of fiduciary accounts or shareholders of the applicant or BankFirst Corp. or Bank First, National Association; and

(4) The acquisition is in the public interest.

Therefore, the Commission hereby approves the acquisition of BankFirst Corp. and its subsidiary, Bank First, National Association, by United Bankshares, Inc., subject to the following condition: That the acquisition be authorized by the affirmative vote of not less than two-thirds of the shareholders of BankFirst Corp., the Virginia bank holding company to be acquired.[1]

[1]VA. Code § 6.1-399, paragraph A.4., permits the Commission to approve an application such as this, if (among other things) we make the acquisition subject to "any conditions, restrictions, requirements or other limitations that would apply to the acquisition by a Virginia bank holding company of a bank or bank holding company in the state where the regional bank holding company making the acquisition has its principal place of business [West Virginia] but that would not apply to the acquisition of a bank or bank holding company in such state by a bank holding company all the subsidiaries of which are located in that state."

West Virginia law (§ 31A-8A-7 (f)) would require a two-thirds vote of shareholders in order to approve a transaction of this type, if a Virginia bank holding company were proposing to acquire a West Virginia bank. In such a transaction involving only West Virginia bank holding companies, however, a vote of approval by a bare majority would suffice.

CASE NO. BFI900142
JULY 16, 1990

APPLICATION OF
EMB INVESTORS, INC.

Pursuant to § 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came EMB Investors, Inc. and filed its application, as required by Virginia Code § 6.1-416.1, to acquire more than 25 percent of the shares of Eastern Mortgage Bankers, 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 more than 25 percent of the shares of Eastern Mortgage Bankers, Inc. by EMB Investors, Inc., and orders that this matter be placed among the ended cases.

CASE NO. BFI900153
NOVEMBER 8, 1990

APPLICATION BY
SFC MORTGAGE GROUP OF VIRGINIA, INC.

For a license to engage in business as a mortgage broker

ORDER GRANTING LICENSE

On April 26, 1990, SFC Mortgage Group of Virginia, Inc. ("SFC Mortgage" or "Applicant") filed an application with the State Corporation Commission's Bureau of Financial Institutions ("Bureau") for a license to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Virginia Code. On July 9, 1990, the Bureau denied the license for the following reasons: (1) a license previously issued to the Applicant had been revoked by the Commission on January 25, 1990, for failure to file the 1989 annual report required by Virginia Code § 6.1-418; (2) the Applicant had continued to engage in business as a mortgage broker after the license revocation; (3) during an examination of the Applicant, Bureau examiners found that the Applicant had committed numerous violations of law and regulations; and (4) the president and sole stockholder of the Applicant had failed to disclose on her personal financial statement submitted with the application that a judgment had been entered against her. The Bureau concluded that the Applicant and its principal lacked sufficient character, financial responsi-bility, and general fitness to warrant belief that the mortgage broker business would be conducted efficiently, fairly, in the public interest, and in accordance with law.

On August 15, 1990, SFC Mortgage filed a Petition for Hearing Before the Commission. We granted the Applicant's request on October 3, 1990, and held the hearing on November 5, 1990.

Having considered the testimony of the witnesses and the arguments presented in this case, we conclude that a license to engage in business as a mortgage broker should be granted to SFC Mortgage. However, the record in this case indicates that the Applicant has in the past failed to comply with Virginia law and the rules and regulations of this Commission. Though we do not find these violations so severe as to require the denial of the license at this time, we do admonish the Applicant to comply fully from this day forward with all laws and Commission rules and regulations applicable to mortgage brokers. Accordingly,

IT IS ORDERED that a license to engage in business as a mortgage broker, pursuant to Chapter 16 of Title 6.1 of the Code of Virginia, at 6001 Staples Mill Road, Richmond, Virginia 23228, be granted to SFC Mortgage Group of Virginia, Inc. The Bureau of Financial Institutions is directed to issue such a license forthwith.

CASE NO. BFI900169
JUNE 29, 1990

APPLICATION OF
THE BANK OF SOUTHSIDE VIRGINIA 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 The Bank of Southside Virginia Corporation and filed its application, as required by Virginia Code § 6.1-383.1, to acquire 19.2 percent of the shares of Bank of McKenney, McKenney, 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 § 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 § 6.1-383.2 of the Code.

THEREFORE, the Commission hereby issues this notice of its intent not to disapprove the acquisition of 19.2 percent of the shares of Bank of McKenney by The Bank of Southside Virginia Corporation and orders that this matter be placed among the ended cases.

CASE NO. BFI900180
AUGUST 27, 1990

APPLICATION OF
ALBEMARLE BANK AND TRUST COMPANY

For a certificate of authority to: (1) do a banking and trust business upon the merger of Peoples Bank of Central Virginia into Albemarle Bank and Trust Company under the charter of the latter and title of F&M Bank-Central Virginia and (2) operate the main office of the now Peoples Bank of Central Virginia and its two branch offices.

ON A FORMER DAY came Albemarle Bank and Trust Company, the surviving bank in a proposed merger with Peoples Bank of Central Virginia, and subject to the issuance by the Commission of a certificate of merger of said banks, applied to the Commission for (1) Certificate of authority to do a banking and trust business at 1425 Seminole Trail, Albemarle County, Virginia and elsewhere in this State as it may now or hereafter be authorized by law; and (2) Authority to operate the main office of the now Peoples Bank of Central Virginia at U.S. Route 29, South, Lovingston, Nelson County, Virginia; and the following two offices: (1) State Route 6, Afton, Nelson County, Virginia; and (2) Ambriar Shopping Center, U. S. Route 29, Amherst, Amherst County, Virginia as branch offices. 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 the applicant, effective upon the issuance by the Commission of a certificate of merger of Peoples Bank of Central Virginia into Albemarle Bank and Trust Company and with respect thereto the Commission finds: (1) that all of the provisions of law with respect to said bank and its application for a certificate of authority to begin business have been complied with; (2) that the surviving bank's capital stock will be $1,880,000 and its surplus and reserve for operations will amount to not less than $4,351,000; (3) that, in its opinion, the public interest will be served by additional banking facilities in the community where the applicant is proposed to be; (4) 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; (5) that the bank was formed for no other reason than a legitimate banking and trust business; (6) that the moral fitness, financial responsibility and business qualifications of those named as officers and directors are such as to command the confidence of the community in which the bank is proposed to be located; and (7) that its deposits are to be insured by the Federal Deposit Insurance Corporation.

THE COMMISSION is further of the opinion and finds that, subject to the issuance by the Commission of a certificate of merger, and of amendment and restatement changing the name of Albemarle Bank and Trust Company to F&M Bank-Central Virginia, the public interest will be served by authorizing the applicant, Albemarle Bank and Trust Company the surviving bank in such merger, to operate the main office of the now Peoples Bank of Central Virginia and two branch offices.

IT IS THEREFORE, ORDERED:

That effective upon the issuance by the Commission of a certificate of merger to Albemarle Bank and Trust Company, the surviving bank in a proposed merger of Peoples Bank of Central Virginia, and of amendment and restatement changing the name of Albemarle Bank and Trust Company to F&M Bank-Central Virginia, a certificate be, and it is hereby, granted F&M Bank-Central Virginia (formerly Albemarle Bank and Trust Company) authorizing it to do a banking and trust business at 1425 Seminole Trail, Charlottesville, Virginia and elsewhere in this State as authorized by law, and to operate the aforesaid branch offices.

CASE NO: BFI900239
SEPTEMBER 6, 1990

APPLICATION OF
JOSEPH J. MAHONEY, III

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Joseph J. Mahoney, III and filed his application, as required by Virginia Code Section 6.1-416.1, to acquire 100 percent of the shares of Abbot Mortgage Service, 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 shares of Abbot Mortgage Service, Inc. by Joseph J. Mahoney, III, and orders that this matter be placed among the ended cases.

CASE NO. BFI900249
AUGUST 27, 1990

APPLICATION OF
NCNB CORPORATION

Pursuant to § 6.1-406 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came NCNB Corporation and filed its notice, as required by Virginia Code § 6.1-406, to acquire NCNB America Bank, Newark, Delaware. 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 NCNB America Bank by NCNB Corporation. This matter shall be placed among the ended cases.

CASE NO. BFI900270
AUGUST 27, 1990

APPLICATION OF
HEE MAN YOO AND JUNG JIN C. YOO

Pursuant to § 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Hee Man Yoo and Jung Jin C. Yoo and filed their application, as required by Virginia Code § 6.1-416.1, to acquire 80 percent of the shares of Center 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 § 6.1-416.1. Therefore, the Commission hereby approves the acquisition of 80 percent of the shares of Center Mortgage Corporation by Hee Man Yoo and Jung Jin C. Yoo, and orders that this matter be placed among the ended cases.

CASE NO. BFI900287
SEPTEMBER 28, 2990

APPLICATION OF
THOMAS J. NAUGHTON, JR.

Pursuant to § 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Thomas J. Naughton, Jr. and filed his application, as required by Virginia Code § 6.1-416.1, to acquire 25 percent of the shares of Intercoastal 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 § 6.1-416.1. Therefore, the Commission hereby approves the acquisition of 25 percent of the shares of Intercoastal Mortgage Company by Thomas J. Naughton, Jr., and orders that this matter be placed among the ended cases.

CASE NO. BFI900295
OCTOBER 25, 1990

APPLICATION OF
MERCANTILE BANKSHARES CORPORATION
Baltimore, Maryland

To acquire Farmers & Merchants Bank-Eastern Shore (Onley, Accomack County, Virginia)

ORDER OF APPROVAL

ON A FORMER DAY came Mercantile Bankshares Corporation, pursuant to Chapter 15 of Title 6.1 of the Code of Virginia (Va. Code § 6.1-398, ff.), and filed its application to acquire Farmers & Merchants Bank-Eastern Shore, a Virginia bank having its main office in

Onley, Accomack County, Virginia. The application was referred to the Bureau of Financial Institutions for an investigation. Notice of the application was published in the Bureau of Financial Institutions' Weekly Information Bulletin dated, August 31, 1990, and no objection to the proposed acquisition was received.

Having considered initially the relevant statutes of Virginia and of Maryland and the Bureau's report of investigation herein, the Commission is of the opinion and finds that the statutory prerequisites to approval of the application set forth in Code § 6.1-399 are met in this case viz:

(1) The laws of Maryland permit Virginia bank holding companies meeting the criteria of Chapter 15 to acquire banks and bank holding companies in that jurisdiction;

(2) The laws of Maryland would permit this particular transaction to be done in reverse, i.e., treating Farmers & Merchants Bank-Eastern Shore as a holding company, Maryland law would allow it to acquire Mercantile Bankshares Corporation; and

(3) Farmers & Merchants Bank-Eastern Shore was established 1909 and has operated continuously since that date, a period of more than three years. [Virginia law would permit this acquisition so long as Farmers & Merchants Bank-Eastern Shore had been continuously operating for more than two years. However, the laws of Maryland contain a requirement (the only such requirement) that would apply to the acquisition of a Maryland bank by a Virginia bank holding company, but that would not apply to the acquisition of a Maryland bank by a Maryland bank holding company, viz., that the bank to be acquired has been in existence and continually operating for more than three years. Therefore, pursuant to Virginia Code § 6.1-399A.4., this proposed acquisition is made subject to a requirement that the bank sought to be acquired has operated continuously for more than three years. That requirement is met, as shown above.]

Based upon the application and the Bureau's report of investigation, the Commission further determines, pursuant to Code § 6.1-400, that

(1) The proposed acquisition would not be detrimental to the safety or soundness of the applicant or Farmers & Merchants Bank-Eastern Shore;

(2) The applicant, its officers and directors, are qualified by character, experience and financial responsibility to control and operate a Virginia bank;

(3) The proposed acquisition would not be prejudicial to the interests of depositors, creditors, beneficiaries of fiduciary accounts or shareholders of the applicant or Farmers & Merchants Bank-Eastern Shore; and

(4) The acquisition is in the public interest.

Therefore, the Commission hereby approves the acquisition of Farmers & Merchants Bank-Eastern Shore by Mercantile Bankshares Corporation. There being nothing further to be done in this matter, it shall be placed among the ended cases.

CASE NO. BFI900312
SEPTEMBER 14, 1990

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

ORDER REVOKING LICENSE

ON A FORMER DAY the Commissioner of Financial Institutions reported to the Commission that the Defendant, Reseda Finance Corporation, is licensed to engage in business as a mortgage lender and 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 cancelled on April 17, 1990; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail that its license would be revoked unless a new bond was filed, and that a written request for hearing was required to be filed in the Office of the Clerk of the Commission; 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 Reseda Finance Corporation to engage in business as a mortgage lender and broker be, and it is hereby, revoked.

CASE NO. BFI900313
NOVEMBER 8, 1990

APPLICATION OF
TYSONS FINANCIAL CORPORATION

Pursuant to Title 6.1, Chapter 13, Code of Virginia

ORDER GIVING NOTICE OF INTENT NOT TO DISAPPROVE AN ACQUISITION

ON A FORMER DAY came Tysons Financial Corporation and filed its application, as required by Virginia Code § 6.1-383.1, to acquire 100 percent of the shares of Tysons National Bank, Vienna, Fairfax 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 § 6.1-383.1.

The report of the Bureau staff notes weaknesses in the proposed directorate and management of the Tysons National Bank, and expresses concern for the success of the new bank in view of the softening economy and the high degree of banking competition in the Washington, D.C. metropolitan area. But we do not have before us the question of approval of the bank. The Office of the Comptroller of the Currency having already granted preliminary approval to Tysons National Bank, we concluded that in this instance the staff's reservations do not provide sufficient basis for taking any of the other actions permitted us by § 6.1-383.2 of the Code.

THEREFORE, we hereby issue this notice of intent not to disapprove the acquisition of 100 percent of the shares of Tysons National Bank by Tysons Financial Corporation. This matter shall be placed among the ended cases.

CASE NOS. BFI900314 AND BFI900316
SEPTEMBER 28, 1990

APPLICATIONS OF
CRESTAR BANK

To merge Henrico Interim Savings Bank and Richmond Interim Savings Bank into Crestar Bank

ORDER APPROVING THE MERGER

Crestar Bank, a bank chartered by the Commonwealth, filed applications pursuant to Virginia Code § 6.1-194.40 to merge into itself Henrico Interim Savings Bank and Richmond Interim Savings Bank, each of which is a state savings and loan association. The applications were referred to the Commissioner of Financial Institutions for an investigation and report.

Having considered the applications and the report of investigation, the Commission is of the opinion and finds that the resulting entity will do business as a bank, and that the applicant meets the standards established by Virginia Code § 6.1-13.

THEREFORE, IT IS ORDERED that the merger into Crestar Bank of Henrico Interim Savings Bank and Richmond Interim Savings Bank is approved. The resulting bank, having its main office at 919 East Main Street, City of Richmond, Virginia, will have the authority, as provided in § 6.1-194.40, to operate all the offices of Henrico Interim Savings Bank and Richmond Interim Savings Bank; namely, (1) 6845 Midlothian Turnpike, City of Richmond, Virginia; (2) 8545 Patterson Avenue, Henrico County, Virginia; (3) 13180 Midlothian Turnpike, Chesterfield County, Virginia; (4) 9811 Hull Street Road, Chesterfield County, Virginia; (5) 101 England Street, Ashland, Hanover County, Virginia; (6) 1206 Willow Lawn Drive, Henrico County, Virginia; (7) 12199 Gayton Road, Henrico County, Virginia; (8) 728 E. Main Street, City of Richmond, Virginia; (9) 1007 East Main Street, City of Richmond, Virginia; (10) 421 East Franklin Street, City of Richmond, Virginia; (11) 11655 Midlothian Turnpike, Chesterfield County, Virginia; (12) 5801 Patterson Avenue, City of Richmond, Virginia; and (13) 3631 Mechanicsville Turnpike, 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 by the Commission to Crestar Bank of a certificate of merger of Henrico Interim Savings Bank and Richmond Interim Savings Bank into Crestar Bank.

CASE NOS. BFI900315 AND BFI900317
SEPTEMBER 28, 1990

APPLICATIONS OF
CRESTAR FINANCIAL CORPORATION

To acquire Henrico Interim Savings Bank and Richmond Interim Savings Bank

ORDER APPROVING THE ACQUISITION OF SAVINGS AND LOAN ASSOCIATIONS

ON A FORMER DAY Crestar Financial Corporation, a Virginia bank holding company, filed applications, pursuant to Virginia Code § 6.1-194.87, to acquire 100 percent of the shares of two state savings and loan associations: Henrico Interim Savings Bank and Richmond Interim Savings Bank. The applications were referred to the Bureau of Financial Institutions for investigation.

Having considered the applications and the report of the investigation of the Bureau, the Commission is of the opinion and finds that: (1) The proposed acquisitions will not be detrimental to the safety and soundness of the applicant or of the savings institutions sought to be acquired; (2) the applicant is qualified to control and operate the state associations; (3) the proposed acquisitions will not be prejudicial to the interests of depositors, creditors, beneficiaries of fiduciary accounts and shareholders of the savings institutions sought to be acquired; and (4) the proposed acquisitions are in the public interest.

ACCORDINGLY, IT IS ORDERED that Crestar Financial Corporation be authorized to acquire 100 percent of the shares of Henrico Interim Savings Bank and Richmond Interim Savings Bank.

CASE NOS. BFI900321, BFI900322, BFI900323, and BFI900324
SEPTEMBER 28, 1990

APPLICATIONS OF
RICHMOND INTERIM SAVINGS BANK

For a certificate of authority as a Savings and Loan Association at 1007 East Main Street, City of Richmond, Virginia and for authority to establish certain offices

ORDER GRANTING THE APPLICATIONS

ON A FORMER DAY Richmond Interim Savings Bank applied to the Commission, under Virginia Code § 6.1-194.12, for a certificate of authority as a state savings and loan association at 1007 East Main Street, City of Richmond, Virginia, and for authority to establish, i.e., acquire and own, the following offices: (a) 5801 Patterson Avenue, City of Richmond, Virginia; (b) 3631 Mechanicsville Turnpike, Henrico County, Virginia; and (c) 11655 Midlothian Turnpike, Chesterfield County, Virginia. The applications were referred to the Commissioner of Financial Institutions for an investigation and report.

HAVING considered the applications herein and the recommendation of the Commissioner of Financial Institutions, it appears to the Commission that the proposed savings and loan association is formed for the purpose of acquiring from a federal agency certain assets, including the offices, and assume certain liabilities of Seasons Federal Savings Bank, and, without the applicant's ever operating, to merge into Crestar Bank. The Commission finds with respect to the applications: (1) All provisions of law have been complied with by the applicant; (2) Shares of stock to the value of at least $500,000 have been subscribed by the stockholder of the applicant; (3) Regulations governing directors of the applicant have been complied with; (4) The public interest will be served by granting the applications; (5) The officers and directors of the applicant are of moral fitness, financial responsibility, and business ability; and (6) The deposit accounts of the applicant will be insured by a federal agency. Accordingly, the Commission is of the opinion that the applications herein should be granted.

THEREFORE, IT IS ORDERED that a certificate of authority as a state savings and loan association at 1007 East Main Street, City of Richmond, Virginia be issued, and such certificate hereby is issued, to Richmond Interim Savings Bank. Richmond Interim Savings Bank is hereby authorized to establish, i.e., acquire and own the four offices listed above prior to its merging into Crestar Bank.

CASE NOS. BFI900325, BFI900326, BFI900327, BFI900328, BFI900329, BFI900330, BFI900331, BFI900332 and BFI900333
SEPTEMBER 28, 1990

APPLICATIONS OF
HENRICO INTERIM SAVINGS BANK

For a certificate of authority as a Savings and Loan Association at 421 East Franklin Street, City of Richmond, Virginia and for authority to establish certain offices

ORDER GRANTING THE APPLICATIONS

UPON A FORMER DAY Henrico Interim Savings Bank applied to the Commission, under Virginia Code § 6.1-194.12, for a certificate of authority as a state savings and loan association at 421 East Franklin Street, City of Richmond, Virginia, and for authority to establish, i.e., acquire and own, the following offices: (a) 6845 Midlothian Turnpike, City of Richmond, Virginia; (b) 8545 Patterson Avenue, Henrico County, Virginia; (c) 13180 Midlothian Turnpike, Chesterfield County, Virginia; (d) 9811 Hull Street Road, Chesterfield County, Virginia; (e) 101 England

Street, Ashland, Hanover County, Virginia; (f) 1206 Willow Lawn Drive, Henrico County, Virginia; (g) 12199 Gayton Road, Henrico County, Virginia; and (h) 728 E. Main Street, City of Richmond, Virginia. The applications were referred to the Commissioner of Financial Institutions for an investigation and report.

HAVING considered the applications herein and the recommendation of the Commissioner of Financial Institutions, it appears to the Commission that the proposed savings and loan association is formed for the purpose of acquiring from a federal agency certain assets, including the offices, and assume certain liabilities of Security Federal Savings Association, and, without the applicant's ever operating, to merge into Crestar Bank. The Commission finds with respect to the applications: (1) All provisions of law have been complied with by the applicant; (2) Shares of stock to the value of at least $500,000 have been subscribed by the stockholder of the applicant; (3) Regulations governing directors of the applicant have been complied with; (4) The public interest will be served by granting the applications; (5) The officers and directors of the applicant are of moral fitness, financial responsibility, and business ability; and (6) The deposit accounts of the applicant will be insured by a federal agency. Accordingly, the Commission is of the opinion that the applications herein should be granted.

THEREFORE, IT IS ORDERED that a certificate of authority as a state savings and loan association at 421 East Franklin Street, City of Richmond, Virginia be issued, and such a certificate hereby is issued, to Henrico Interim Savings Bank. Henrico Interim Savings Bank is hereby authorized to establish, i.e., acquire and own, the nine offices listed above prior to its merging into Crestar Bank.

CASE NO. BFI900334
OCTOBER 12, 1990

APPLICATION OF
C&S/SOVRAN CORPORATION

Pursuant to § 6.1-406 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came C&S/Sovran Corporation and filed its notice, as required by Virginia Code § 6.1-406, to acquire The Citizens and Southern Bank of Glynn County, successor by conversion and merger of First Federal Savings Bank of Brunswick, Georgia. The application was referred to the Bureau of Financial Institutions.

Having considered the aforesaid notice and the report herein of the Bureau of Financial Institutions, the Commission is of the opinion and finds that the proposed acquisition will not affect detrimentally the safety or soundness of any Virginia bank. Therefore, the Commission hereby approves the acquisition of The Citizens and Southern Bank of Glynn County, successor by conversion and merger of First Federal Savings Bank of Brunswick, Georgia by C&S/Sovran Corporation. This matter shall be placed among the ended cases.

CASE NO. BFI900350
NOVEMBER 15, 1990

APPLICATION OF
CRESTAR BANK

For a certificate of authority to do a banking and trust business and to operate the main office of now Community Trust Bank as a branch following the merger of Community Trust Bank into Crestar Bank

ORDER GRANTING AUTHORITY

ON A FORMER DAY came Crestar Bank, which is proposed to be the surviving bank in a merger with Community Trust Bank, and applied to the Commission for (1) a certificate of authority to do a banking and trust business at 919 East Main Street, Richmond, Virginia and at other authorized locations; and (2) authority to operate as a branch what is now the main office of Community Trust Bank at 303 County Street, Portsmouth, Virginia. Thereupon the application was referred to the Commissioner of Financial Institutions for investigation.

The Commission, having considered the application and the report of the Commissioner of Financial Institutions, finds that the bank, as it will exist following the proposed merger, satisfies the provisions of Virginia Code § 6.1-13, and that the public interest will be served by permitting Crestar Bank to offer banking service at 303 County Street, Portsmouth, Virginia.

IT IS THEREFORE ORDERED, in accordance with Virginia Code §§ 6.1-44 and 6.1-39.3, that Crestar Bank be issued, and it hereby is issued, a certificate of authority to do a banking and trust business at 919 East Main Street and at other authorized locations following the merger of Community Trust Bank into Crestar Bank, and to operate the former main office of Community Trust Bank at 303 County Street, Portsmouth, Virginia as a branch, provided that the surviving bank's capital stock will be $168,000,000 and its surplus and reserve for operations will amount to not less than $432,943,000. This authority shall be effective upon the issuance, on some date after January 6, 1991, of a certificate of merger merging Community Trust Bank into Crestar Bank.

[1]Code § 6.1-39.3, the branch banking law, provides (with certain exceptions not applicable here) that it "shall not be construed to allow the merger of banks and the operation by the merged company of such banks, — unless at the time of such merger the bank shall have been in actual operation for a period of five years or more." Community Trust Bank opened for business January 7, 1986.

CASE NO. BFI900426
DECEMBER 28, 1990

APPLICATION OF
FIRST AMERICAN FINANCIAL GROUP, 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 First American Financial Group, Inc., a Virginia corporation, and filed its application, as required by Virginia Code § 6.1-383.1, to acquire 100 percent of the shares of Beneficial Industrial Loan Association, Waynesboro, 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 § 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 § 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 Beneficial Industrial Loan Association by First American Financial Group, Inc. and orders that this matter be placed among the ended cases.

BUREAU OF INSURANCE

CASE NO. INS860166
JULY 2, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of a determination of activation of a joint underwriting association pursuant to Virginia Code § 38.2-2801

ORDER APPROVING RATE CREDITS

ON A FORMER DAY came the Virginia Medical Malpractice Joint Underwriting Association (the "Association") and, pursuant to Virginia Code § 38.2-2703, filed for Commission approval certain revised rate credits for Participating Physicians in the Virginia Birth-Related Neurological Compensation Program, attached hereto and made a part hereof.

THE COMMISSION, having considered the revised rate credits, the recommendation of the Bureau of Insurance that the rate credits be approved and the law applicable hereto, is of the opinion and ORDERS that the rate credits should be, and they are hereby APPROVED for use by the Association on new and renewal policies effective on and after June 11, 1990.

NOTE: A copy of the revised rate credits for Participating Physicians in the Virginia Birth-Related Neurological Compensation Program is on file and may be reviewed at the State Corporation Commission, Document Control Center, Floor B-1, Jefferson Building, Bank and Governor Streets, Richmond, Virginia.

CASE NO. INS870104
FEBRUARY 16, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
STEPHEN GORDON BOLING
and
INSURANCE SERVICES OF THE NEW RIVER VALLEY, INC.,
Defendants

FINAL ORDER

WHEREAS, the Bureau of Insurance ("Bureau") filed a Motion to Dismiss in the above-captioned proceeding as a result of Defendant, Stephen Gordon Boling, voluntarily surrendering his insurance agent's license;

WHEREAS, by ruling entered February 9, 1990, the Commission's Senior Hearing Examiner granted the Bureau's Motion to Dismiss, canceled the hearing scheduled for February 12, 1990, and recommended that the Commission enter an order dismissing the proceeding from the Commission's docket of pending cases; and

THE COMMISSION, having considered the Bureau's Motion to Dismiss and the recommendation of its Senior Hearing Examiner, is of the opinion that this matter should be dismissed,

THEREFORE, IT IS ORDERED;

(1) That this case be, and it is hereby, DISMISSED; and

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

CASE NO. INS880340
FEBRUARY 16, 1990

APPLICATION OF
NATIONAL COUNCIL ON COMPENSATION INSURANCE

For Revision of Workers' Compensation Insurance Rates

OPINION AND ORDER

Opinion, Harwood, Commissioner:

On October 21, 1988, we entered herein an order which amended our order of September 28, 1988 by making the rates adopted therein effective November 1, 1988. These orders were appealed on procedural grounds by the Division of Consumer Counsel of the Office of the Attorney General (Consumer Counsel). The case was remanded by the Supreme Court of Virginia "for further proceedings consistent with the views expressed in the written opinion of this Court." The Commission received the court's mandate on November 30, 1989.

On December 13, 1989, we entered an order vacating our orders of September 28, 1988 and October 21, 1988; and, on December 14, 1989, we entered an order scheduling a hearing for January 16, 1990 for the purpose of further cross-examination of Staff witness Presley.

Prior to the hearing scheduled for January 16, 1990, which was ultimately held on January 23, 1990 as the result of our granting a continuance requested by Consumer Counsel, an informal conference was held by the Commission on December 15, 1989 at which all parties were present and several issues were discussed. It was resolved at the conference that, because of the difficulty of providing member insurers of National Council on Compensation Insurance (NCCI) with 1987 "rate pages", these insurers would be permitted to charge the rates authorized effective November 1, 1988 for policies issued or renewed on and after November 30, 1989 and until the Commission's final order in this proceeding (the interim period). It was further agreed that, should the Commission decide that the rates in effect for the interim period are the rates authorized effective October 1, 1987, NCCI's member insurers would make appropriate adjustments to the premiums charged for policies issued or renewed at 1988 rates during the interim period.

In arriving at our decision, we have considered (i) the the substance of the cross-examination of Staff witness Presley at the remand hearing on January 23, 1990; and (ii) the arguments submitted by counsel concerning the effect of the language of the Supreme Court's mandate.

Cross-examination of Presley. Based on the further cross-examination of Presley at the January 23rd hearing, we do not believe that any adjustment to the rates adopted in this case is warranted. Mr. Presley's testimony confirmed our confidence in his expertise in the field of actuarial science. In particular, the fact that Mr. Presley, prior to this proceeding, testified on behalf of NCCI with respect to the propriety of the use of a trend factor in a rate filing does not demonstrate the existence of bias. To the contrary, Mr. Presley has for many years advocated before this Commission, and we have accepted, the use of a trend factor in the determination of appropriate workers' compensation rates. Mr. Presley's consistency in this regard merely demonstrates to us a professional adherence to what he believes is an appropriate rate-making principle. Accordingly, we are of the opinion and find that the rates adopted to be effective November 1, 1988 should be re-affirmed and adopted for policies issued or renewed on and after the date of this order.

Effect of mandate. At our request, and subsequent to the January 23rd hearing, counsel filed argument as to the effect of the language of the Court's mandate on these proceedings. In addition to counsels' argument: we note specifically the absence of any refund authority in Chapter 20 of Title 38.2 of the Code; the fact that premiums charged by insurers during the period November 1, 1988 to November 30. 1989 were authorized by the Commission; and the fact that no party to this proceeding petitioned the Supreme Court for a suspension order pursuant to Virginia Code § 8.01-676.1.H. Based thereon, and given the principle, cited by Consumer Counsel, that a mandate of reversal with a remand for further proceedings must necessarily be construed with reference to the facts and circumstances of a particular proceeding, we believe that the Supreme Court's mandate must be given effect prospectively from the date of the Commission's receipt thereof, - November 30, 1989.

Accordingly, for rates for the interim period November 30, 1989 until the date of this order, we are of the opinion and find that the rates adopted by the Commission effective October 1, 1987, should be charged. The 1987 rates are the last Commission-authorized rates in effect prior to the Supreme Court's annulment of the rates authorized effective November 1, 1988. To make the rates re-affirmed and adopted herein applicable to policies issued or renewed during the interim period would constitute retroactive ratemaking. It has long been settled that this Commission must necessarily be guided by the express word of the specific authority granted it by the Constitution and statutes. Retroactive ratemaking is not among our grants of authority; and, accordingly, we are constrained therefrom, notwithstanding the purported inequities some have argued will result under the particular circumstances of this proceeding.

THEREFORE, IT IS ORDERED:

(1) That, for policies issued or renewed on and after the date of this order, the rates adopted in the Commission's orders of September 28, 1988 and October 21, 1988 be, and they are hereby, re-affirmed and ADOPTED;

(2) That, for policies issued or renewed during the interim period from November 30, 1989 until the date of this order, the rates adopted by the Commission effective October 1, 1987 be, and they are hereby, ADOPTED; and

(3) That appropriate premium adjustments shall be made for policies issued or renewed during the interim period at rates other than those rates ordered and adopted pursuant to ordering paragraph (2) hereof.

Morrison, Commissioner, took no part in the determination of this case.

CASE NO. INS880340
FEBRUARY 21, 1990

APPLICATION OF
NATIONAL COUNCIL ON COMPENSATION INSURANCE

For a revision of worker's compensation rates

AMENDATORY ORDER

IT IS ORDERED that the references to October 1, 1987 on pages 2 and 4 of the Opinion and Order entered herein February 16, 1990 be, and they are hereby, amended to read, October 15, 1987.

CASE NO. INS880432
DECEMBER 13, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
WAYLON BRUCE JACKSON,
Defendant

Having reviewed the record, we are of the opinion that, while we do not agree with the Senior Hearing Examiner in that portion of his report concerning the misrepresentation of certain annuity policies, we agree that the penalty of $5,000 is appropriate under all the circumstances of the case.

Therefore, we adopt and affirm that portion of the final report of April 6, 1990, through paragraph Three of Page 4. IT IS SO ORDERED.

Shannon, Chairman, concurring in part and dissenting in part.

Having reviewed the record herein, including the Report of the Senior Hearing Examiner, I concur with the majority's decision not to accept the Senior Hearing Examiner's finding on the issue of defendant's misrepresentations of the terms of certain annuity contracts and would further agree that the imposition of a monetary penalty of five thousand dollars is appropriate. However, in addition to the monetary penalty imposed by the majority, I would also revoke the defendant's license to transact the business of insurance as an agent in the Commonwealth of Virginia based upon the evidence in the record concerning the defendant's aforesaid misrepresentations.

CASE NO. INS890236
JULY 20, 1990

COMMONWEALTH OF VIRGINIA
at the relation of the
STATE CORPORATION COMMISSION
v.
NORTHWESTERN SECURITY LIFE INSURANCE COMPANY,
Defendant

ORDER TO TAKE NOTICE

WHEREAS, by order entered herein August 11, 1989, for the reasons stated therein, the license of Northwestern Security Life Insurance Company (NSLIC) to transact the business of insurance in the Commonwealth of Virginia was suspended;

WHEREAS, by order of Wake County Superior Court, Wake County, North Carolina, entered May 2, 1990 in Case No. 89 CVS 1372, NSLIC was declared insolvent and ordered to be liquidated,

IT IS ORDERED that Northwestern Security Life Insurance Company TAKE NOTICE that unless, on or before August 21, 1990, NSLIC files with the Clerk of the Commission a request for a hearing concerning the hereinafter proposed revocation of the license of NSLIC, subsequent to the aforesaid date, the Commission shall enter an order revoking the license of NSLIC to transact the business of insurance in the Commonwealth of Virginia.

CASE NO. INS890236
AUGUST 31, 1990

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

ORDER REVOKING LICENSE

WHEREAS, for the reasons stated in an order entered herein July 20, 1990, Defendant was ordered to take notice that the Commission would enter an order subsequent to August 21, 1990, revoking the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before August 21, 1990, Defendant filed with the Clerk of the Commission a request for a hearing before the Commission with respect to 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,

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. INS890238
JULY 20, 1990

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

ORDER TO TAKE NOTICE

WHEREAS, by order entered herein July 13, 1989, for the reasons therein stated, the license of Life of Indiana Insurance Company (LIIC) to transact the business of insurance in the Commonwealth of Virginia was suspended;

WHEREAS, by order entered June 1, 1990, by the Marion Circuit Court, County of Marion, State of Indiana, Cause No. 49C01-8909-MI-3231, (i) LIIC was declared insolvent; (ii) the Order of Rehabilitation of LIIC dated September 21, 1989 was terminated; and (iii) LIIC was ordered to be liquidated,

IT IS ORDERED that Life of Indiana Insurance Company TAKE NOTICE that unless, on or before August 21, 1990, LIIC files with the Clerk of the Commission a request for a hearing concerning the hereinafter proposed revocation of LIIC's license, subsequent to the aforesaid date, the Commission shall enter an order revoking the license of LIIC to transact the business of insurance in the Commonwealth of Virginia.

CASE NO. INS890238
AUGUST 31, 1990

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

ORDER REVOKING LICENSE

WHEREAS, for the reasons stated in an order entered herein July 20, 1990, Defendant was ordered to take notice that the Commission would enter an order subsequent to August 21, 1990, revoking the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before August 21, 1990, Defendant filed with the Clerk of the Commission a request for a hearing before the Commission with respect to 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,

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. INS890253
JANUARY 29, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
THE VIRGINIA INSURANCE RECIPROCAL

OPINION, Harwood, Chairman:

This matter came on for hearing before the Commission on July 18, 1989 by rule to show cause issued on May 10, 1989. The Virginia Insurance Reciprocal (TVIR), the Division of Consumer Counsel of the Office of Attorney General (Division) and the Bureau of Insurance (Bureau) were represented by counsel. Several economic and actuarial witnesses testified.

In our orders of September 12 and 27, 1989, reducing TVIR's lawyers' professional liability insurance rates, we made several adjustments to the existing rates. These adjustments involve (i) premium and loss data; (ii) trend factors; (iii) loss development factors; (iv) expenses; (v) rate of return on surplus funds; (vi) post-tax yield on invested assets; (vii) internal rate of return model; and (viii) profit and contingency factor.

Premium and loss data. TVIR relied on data for the years 1984 through 1988. The Bureau of Insurance's actuarial witness, Dennis Henry, recommended that only the premium and loss data for the years 1987 and 1988 be used. In Mr. Henry's opinion, the data for 1987 and 1988 were the most indicative of the future inasmuch as the loss ratios on a direct policy limits basis for 1984 and 1985 were dramatically different from, and far in excess of, those of the latter years of 1987 and 1988. This decrease in loss ratios was accompanied by significant drops in the frequency of claims. Based on the steadily and materially declining loss ratios and claim frequencies for the period from 1984 through 1988, the use of premium and loss data for all five years for rate-making purposes would result in excessive rates. Accordingly, we have excluded the observed aberrant experience for 1984 and 1985 and have used the last three years of experience, 1986 through 1988.

Trend factor. TVIR actuarial witnesses Rudduck and Klein recommended, respectively, trend factors of 20% and 15%. The Bureau's witness Henry recommended a trend factor of 15% and the Division's witness Schwartz recommended a trend factor of 10%. While, in our opinion, a trend factor of 20% for lawyers' professional liability insurance is excessive, a trend factor somewhere between 10% and 15% is an alternative which, if adopted, would not contribute to inadequate or excessive rates. Accordingly, recognizing that experts may differ and that judgment is the hallmark of ratemaking, we have selected a trend factor of 12.5%.

Loss development factors and expenses. The record persuades us that the recommendations made by TVIR's witness Klein are appropriate. Accordingly, we have adopted his recommendations and make no adjustment thereto.

Rate of return on surplus funds. TVIR presented no expert economic witnesses, although certain of their actuarial witnesses testified to the necessity of a "surplus load." The Division and the Bureau both presented expert economic testimony on an appropriate rate of return on surplus funds. Division witness Wilson testified that an appropriate rate of return was 14%, and Bureau witness Parcell testified that a rate of return of 13.5% was appropriate. Based on the testimony of Wilson and Parcell, we believe that a rate of return on surplus of 14% is proper for the risk assumed. Such return will not contribute to a rate that is excessive or inadequate. Accordingly, we have set the rate of return on surplus at 14%.

Internal rate of return model. We have adopted an internal rate of return model recommended by witnesses for the Bureau as an appropriate method to determine a factor for profit and contingencies. Using this internal rate of return model and employing therein the 14% rate of return on surplus adopted above and a post-tax yield on invested assets of 7% (recommended by Bureau witness Parcell), there results a factor of - 8.2% for profit and contingencies.

With these adjustments, and using witness Klein's recommendations on loss development factors and expenses, it is our opinion that the rates filed by TVIR in 1986 to be effective on and after May 1, 1986 are excessive on average by 16.2% for policies issued or renewed effective on and after September 16, 1988 and prior to September 16, 1989; and that, for policies issued or renewed effective on and after September 16, 1989, such rates are excessive on average by 5.7%. Accordingly, for each of the policies in the first group, TVIR should issue an appropriate refund or credit; and, for policies issued or renewed effective on and after September 16, 1989, rates should be decreased on average by 5.7%.

CASE NO. INS890325
JANUARY 31, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of adopting Rules Governing Underwriting Practices and Coverage Limitations and Exclusions for Acquired Immunodeficiency Syndrome (AIDS)

ORDER ADOPTING REGULATION

WHEREAS, pursuant to an order entered herein on June 16, 1989, the Commission's Hearing Examiner conducted a hearing on July 17, 1989, for the purpose of considering comments of interested persons concerning the adoption of a regulation proposed by the Bureau of Insurance and entitled "Rules Governing Underwriting Practices and Coverage Limitations and Exclusions for Acquired Immunodeficiency Syndrome (AIDS)";

WHEREAS, on October 20, 1989, the Commission's Hearing Examiner filed his report in this matter wherein he found that the regulation, as amended by the Hearing Examiner and set forth in Appendix A of his report, should be adopted by the Commission: and

THE COMMISSION, having considered the record herein, the report and recommendations of its Hearing Examiner and the comments filed in response to the Hearing Examiner's final report, concurs with the finding of its Hearing Examiner except to the extent that the Commission, in response to the comments filed to the Hearing Examiner's final report, has further amended the regulation,

THEREFORE, IT IS ORDERED that the proposed regulation entitled "Rules Governing Underwriting Practices and Coverage Limitations and Exclusions for Acquired Immunodeficiency Syndrome (AIDS)", as amended by the Commission, which is attached hereto and made a part hereof, should be, and it is hereby, ADOPTED, to be effective May 1, 1990.

NOTE: A copy of the Rules Governing Underwriting Practices and Coverage Limitations and Exclusions for Acquired Immunodeficiency Syndrome (AIDS) is on file and may be examined at the State Corporation Commission, Document Control Center, Floor B-1, Jefferson Building, Bank and Governor Streets, Richmond, Virginia.

CASE NO. INS890325
FEBRUARY 21, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of adopting Rules Governing Underwriting Practices and Coverage Limitations and Exclusions for Acquired Immunodeficiency Syndrome (AIDS)

SUSPENDING ORDER

IT IS ORDERED that the order entered herein January 31, 1990 be, and it is hereby, SUSPENDED.

CASE NO. INS890325
FEBRUARY 23, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of adopting Rules Governing Underwriting Practices and Coverage Limitations and Exclusions for Acquired Immunodeficiency Syndrome (AIDS)

AMENDATORY ORDER

WHEREAS, on February 16, 1990, First Colony Life Insurance Company filed a Petition for Reconsideration in the above captioned proceeding; and

THE COMMISSION, having considered the Petition for Reconsideration and the recommendation of its Staff, is of the opinion that Section 6.A.2. of the regulation should be amended,

THEREFORE, IT IS ORDERED that Section 6.A.2. of the regulation be, and it is hereby, amended to read "An adverse underwriting decision is permissible if, during the underwriting process, it is revealed that the applicant has tested positive for HIV infection following the testing protocol as provided in Section 6.C., or has been diagnosed as having AIDS or HIV infection."

CASE NO. INS890325
FEBRUARY 23, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of adopting Rules Governing Underwriting Practices and Coverage Limitations and Exclusions for Acquired Immunodeficiency Syndrome (AIDS)

VACATING ORDER

IT IS ORDERED that the order entered herein February 21, 1990 be, and it is hereby, VACATED.

CASE NO. INS890325
MARCH 8, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of adopting Rules Governing Underwriting Practices and Coverage Limitations and Exclusions for Acquired Immunodeficiency Syndrome (AIDS)

AMENDATORY ORDER

IT APPEARING to the Commission that there is a typographical error in Section 6.C.8.a of the Commission's Rules Governing Underwriting Practices and Coverage Limitation and Exclusions for Acquired Immunodeficiency Syndrome (AIDS),

THEREFORE, IT IS ORDERED that Section 6.C.8.a of the regulation be, and it is hereby, amended to read "No adverse underwriting decision shall be made concerning an applicant who has tested positive for the presence of HIV infection unless the insurer determines that the test protocol outlined in paragraph C.6., or C.7 if applicable, of this section was followed".

CASE NO. INS890407
JULY 20, 1990

COMMONWEALTH OF VIRGINIA
at the relation of the
STATE CORPORATION COMMISSION
v.
AMALGAMATED LABOR LIFE INSURANCE COMPANY,
Defendant

ORDER TO TAKE NOTICE

WHEREAS, by order entered herein September 13, 1989, for the reasons therein stated, the license of Amalgamated Labor Life Insurance Company (ALLIC) to transact the business of insurance in the Commonwealth of Virginia was suspended;

WHEREAS, by order of the Circuit Court of Cook County, Illinois entered July 5, 1989 in Case No. 89 CH 3565, ALLIC was declared insolvent and ordered to be liquidated,

IT IS ORDERED that Amalgamated Labor Life Insurance Company TAKE NOTICE that unless, on or before August 21, 1990, ALLIC files with the Clerk of the Commission a request for a hearing concerning the hereinafter proposed revocation of the license of ALLIC, subsequent to the aforesaid date, the Commission shall enter herein an order revoking the license of ALLIC to transact the business of insurance in the Commonwealth of Virginia.

CASE NO. INS890407
AUGUST 31, 1990

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

ORDER REVOKING LICENSE

WHEREAS, for the reasons stated in an order entered herein July 20, 1990, Defendant was ordered to take notice that the Commission would enter an order subsequent to August 21, 1990, revoking the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before August 21, 1990, Defendant filed with the Clerk of the Commission a request for a hearing before the Commission with respect to 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,

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. INS890437
JANUARY 29, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
LEDFORD MULLINS,
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 § 38.2-1805.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 38.2-1831 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 21, 1989 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 § 38.2-1805.A by accepting payment of premiums in arrears on policies of life insurance or accident and sickness insurance which had lapsed;

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. INS890452
SEPTEMBER 19, 1990

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

ORDER SUSPENDING LICENSE

WHEREAS, by order entered herein June 27, 1990, Defendant was ordered to appear in the Commission's Courtroom, Jefferson Building, Bank and Governor Streets, Richmond, Virginia at 10:00 a.m. on September 18, 1990, 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:

WHEREAS, on September 18, 1990, the Commission conducted the rule to show cause hearing in its courtroom;

WHEREAS, the Defendant failed to appear at the aforesaid rule to show cause hearing and the Bureau of Insurance appeared represented by counsel;

WHEREAS, the witness for the Bureau of Insurance testified that as of June 30, 1990, the Defendant's capital was $1,200,000 and Defendant's surplus was ($12,371,845) and that based on Defendant's current financial condition the further transaction of business in the Commonwealth of Virginia by Defendant would be hazardous to its policyholders, creditors, and public in this Commonwealth:

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

THE COMMISSION, having considered the record herein and the law applicable hereto, is of the opinion and finds that any further transaction of business in this Commonwealth by the Defendant would be hazardous to its policyholders, creditors, and public in this Commonwealth;

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. INS890498
JANUARY 11, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
METROPOLITAN CASUALTY INSURANCE COMPANY
METROPOLITAN GENERAL INSURANCE COMPANY
and
METROPOLITAN PROPERTY AND LIABILITY 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: Metropolitan Casualty Insurance Company violated Virginia Code §§ 38.2-2208, 38.2-2202, 38.2-305, 38.2-2220, 38.2-503 and 38.2-2214; Metropolitan General Insurance Company violated Virginia Code § 38.2-2208; and Metropolitan Property and Liability Insurance Company violated Virginia Code §§ 38.2-2113, 38.2-2208, 38.2-510.A.10, 38.2-2212, 38.2-305, 38.2-2114, 38.2-2120, 38.2-610, 38.2-1906.B, 38.2-2118, 38.2-2202, 38.2-2220, 38.2-503 and 38.2-2214;

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 fourteen thousand dollars ($14,000) 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, Metropolitan Casualty Insurance Company, cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-2208, 38.2-2202, 38.2-305, 38.2-2220, 38.2-503 or 38.2-2214;

(3) That Defendant, Metropolitan General Insurance Company, cease and desist from any conduct which constitutes a violation of Virginia Code § 38.2-2208;

(4) The Defendant, Metropolitan Property and Liability Insurance Company, cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-2113, 38.2-2208, 38.2-510.A.10, 38.2-2212, 38.2-305, 38.2-2114, 38.2-2120, 38.2-610, 38.2-1906.B, 38.2-2118, 38.2-2202, 38.2-2220, 38.2-503 or 38.2-2214; and

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

CASE NO. INS890499
SEPTEMBER 21, 1990

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

ORDER TO TAKE NOTICE

WHEREAS, by order entered herein November 22, 1989, Defendant was ordered to eliminate the impairment in its surplus and restore the same to at least $1,000,000; and

WHEREAS, 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 October 3, 1990, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before October 3, 1990, 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. INS890499
NOVEMBER 19, 1990

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

ORDER SUSPENDING LICENSE

WHEREAS, by Rule to Show Cause entered herein October 29, 1990, Defendant was ordered to appear in the Commission's Courtroom on January 16, 1990, 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;

WHEREAS, by Motion to Dismiss filed herein November 8, 1990, the Bureau of Insurance requested that the aforesaid Rule to Show Cause be dismissed and that the Commission enter an order suspending Defendant's license to transact the business of insurance in the Commonwealth of Virginia, since Defendant had consented to a voluntary suspension of Defendant's license authority;

THEREFORE, IT IS ORDERED:

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

(2) 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;

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

(4) That the appointments of Defendant's agents to act on behalf of Defendant 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 section 38.2-1043.

CASE NO. INS890510
MARCH 22, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
DISTRICT - REALTY TITLE INSURANCE CORPORATION,
Defendant

FINAL ORDER

WHEREAS, by order entered herein December 12, 1989, Defendant was ordered to make good an impairment in its surplus and restore the same to at least the minimum amount required by Virginia law and to issue no new contracts or policies of insurance in the Commonwealth of Virginia during the existence of such impairment and until further order of the Commission; and

WHEREAS, by affidavit of Defendant's President, the Commission has been advised that Defendant has restored its surplus to at least the minimum amount required by Virginia law, $100,000,

THEREFORE, IT IS ORDERED:

(1) That the provision of the order of December 12, 1989, enjoining the Defendant from issuing any new contracts or policies of insurance in the Commonwealth of Virginia during the existence of the aforesaid impairment in Defendant's surplus be, and it is hereby VACATED; and

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

CASE NO. INS890515
JANUARY 19, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
MID - ATLANTIC FINANCE CORPORATION,
Defendant

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, not duly licensed by the Commission to transact the business of an insurance premium finance company in the Commonwealth of Virginia, in certain instances, violated Virginia Code § 38.2-4701 by acting as an insurance premium finance company in this Commonwealth without first being licensed;

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 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 § 38.2-4701; and

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

CASE NO. INS890517
JANUARY 19, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte in re: Adopting of amended supplemental report form pursuant to Virginia Code Section 38.2-1905.2.B.

ORDER ADOPTING SUPPLEMENTAL REPORT FORM

WHEREAS, by order entered herein December 21, 1989, the Commission provided an opportunity for the Attorney General and insurers licensed in this Commonwealth to transact the business of property and casualty insurance to comment on a proposed supplemental report form for 1990 reporting purposes as required by Virginia Code Section 38.2-1905.2.B.; and

WHEREAS, the Commission has reviewed and considered the comments filed in this matter,

IT IS ORDERED that the supplemental report form, which is attached hereto and made a part hereof, be, and it is hereby, ADOPTED for filing pursuant to Chapter 19 of Title 38.2 of the Code of Virginia and that supplemental reports shall be filed by insurers with the Commission on or before May 1, 1990.

NOTE: A copy of the supplemental report form attached to and made a part of this order is on file and may be examined at the State Corporation Commission, Document Control Center, Floor B-1, Jefferson Building, Richmond, Virginia.

CASE NO. INS890519
FEBRUARY 5, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
BLUE CROSS AND BLUE SHIELD 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 insurance in the Commonwealth of Virginia, in certain instances, violated Virginia Code §§ 38.2-502.1, 38.2-511, 38.2-510.6, 38.2-514, 38.2-604.A.1.b, 38.2-606.7.a(1), 38.2-606.8, 38.2-610, 38.2-613, 38.2-316, 38.2-1812.A, 38.2-1822.A, 38.2-1833.A.1, 38.2-1834.C, 38.2-3413, 38.2-3500.A.5, 38.2-3500.A.7 and 38.2-3502.A as well as Section 10.A of the Commission's Rules Governing the Implementation of the Individual Accident and Sickness Insurance Minimum Standards Act with respect to Medicare Supplement Policies;

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 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 fifteen thousand dollars ($15,000) and has waived its right to a hearing; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in 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. INS890520
JANUARY 17, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
GULF 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, 38.2-510, 38.2-510.5, 38.2-514, 38.2-604, 38.2-606.2, 38.2-606.5, 38.2-606.6, 38.2-606.7.b(1), 38.2-606.8, 38.2-606.8.C, 38.2-610.A, 38.2-610.B.2.b, 38.2-1810, 38.2-1834.C, 38.2-3115.B, 38.2-3301, and 38.2-3511.B as well as the Commission's Rules Governing Life Insurance Replacements, Advertisement of Accident and Sickness Insurance, Unfair Claim Settlement Practices, Implementation of the Individual Accident and Sickness Insurance Minimum Standards Act, Implementation of the Individual Accident and Sickness Insurance Minimum Standards Act with Respect to Medicare Supplement Policies, and 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 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 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 §§ 38.2-502.1, 38.2-510, 38.2-510.5, 38.2-514, 38.2-604, 38.2-606.2, 38.2-606.5, 38.2-606.6, 38.2-606.7.b(1), 38.2-606.8, 38.2-606.8.C, 38.2-610.A, 38.2-610.B.2.b, 38.2-1810, 38.2-1834.C, 38.2-3115.B, 38.2-3301, or 38.2-3511.B; and

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

CASE NO. INS900003
JANUARY 4, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of adopting rules to implement transitional requirements for the conversion of medicare supplement insurance benefits and premiums to conform to repeal of the Medicare Catastrophic Coverage Act

TAKE NOTICE ORDER

WHEREAS, the Bureau of Insurance has proposed a regulation entitled "Rules to Implement Transitional Requirements for the Conversion of Medicare Supplement Insurance Benefits and Premiums to Conform to Repeal of the Medicare Catastrophic Coverage Act", which is attached hereto and made a part hereof; and

THE COMMISSION, having considered said regulation, is of the opinion that the proposed regulation should be adopted;

THEREFORE, IT IS ORDERED:

(1) That all interested persons TAKE NOTICE that the Commission shall enter an order on January 31, 1990, adopting the proposed regulation, unless the Commission receives on or before January 30, 1990, a request for a hearing to contest the adoption of the proposed regulation.

CASE NO. INS900003
JANUARY 31, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of adopting Rules to Implement Transitional Requirements for the Conversion of Medicare Supplement Insurance Benefits and Premiums to Conform to Repeal.of the Medicare Catastrophic Coverage Act

ORDER ADOPTING REGULATION

WHEREAS, by order entered herein January 4, 1990, all interested persons were ordered to take notice that the Commission would enter an order on January 31, 1990, adopting a regulation proposed by the Bureau of Insurance entitled "Rules to Implement Transitional Requirements for the Conversion of Medicare Supplement Insurance Benefits and Premiums to Conform to Repeal of the Medicare Catastrophic Coverage Act", unless on or before January 30, 1990, the Commission received a request for a hearing to contest the adoption of the proposed regulation; and

WHEREAS, as of the date of this order, no request for a hearing to contest the adoption of the proposed regulation has been filed with the Clerk of the Commission,

IT IS ORDERED that the proposed regulation entitled "Rules to Implement Transitional Requirements for the Conversion of Medicare Supplement Insurance Benefits and Premiums to Conform to Repeal of the Medicare Catastrophic Coverage Act" which is attached hereto and made a part hereof, should be, and it is hereby, ADOPTED, to be effective January 31, 1990.

NOTE: A copy of the Rules to Implement Transitional Requirements for the Conversion of Medicare Supplement Insurance Benefits and Premiums to Conform to Repeal of the Medicare Catastrophic Act is on file and may be examined at the State Corporation Commission Document Control Center, Floor B-1, Jefferson Building, Governor and Bank Streets, Richmond, Virginia.

CASE NO. INS900007
FEBRUARY 1, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
MARY ANN LEWELLYN
and
MAL ASSOCIATES, INC.,
Defendants

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendants, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated Virginia Code §§ 38.2-1813, 38.2-510 and 38.2-1839 by failing to hold collected premiums in a fiduciary capacity and account for and remit these premiums to an insurer, insured or assignee entitled to payment when due, by receiving a fee or compensation for insurance that was not stated in the policy or included in premium, and by charging an insurance consultant's fee prior to entering into a written contract with the client stipulating the amount and the basis for the fee and the duration of employment;

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 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 five thousand dollars ($5,000), 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 Defendants cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-1813, 38.2-510 or 38.2-1839; and

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

CASE NO. INS900010
JANUARY 12, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
PACIFIC STANDARD 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 December 11, 1989, the Superior Court for the State of California for the County of Yolo found Defendant to be in such a condition that its further transaction of business will be hazardous to its policyholders, creditors, and to the public, and appointed the Insurance Commissioner of the State of California Conservator 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,

IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to January 24, 1990, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before January 24, 1990, 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. INS900010
JANUARY 31, 1990

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

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein January 12, 1990, Defendant was ordered to take notice that the Commission would enter an order subsequent to January 24, 1990, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless, on or before January 24, 1990, Defendant filed with the Clerk of the Commission a request to be heard before the Commission with respect to 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,

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; and

(4) 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. INS900027
FEBRUARY 7, 1990

APPLICATION OF
MUTUAL ASSURANCE SOCIETY OF VIRGINIA

For approval to transact business with a member of its board of directors pursuant to Virginia Code § 38.2-212.C

ORDER APPROVING APPLICATION

ON A FORMER DAY came Mutual Assurance Society of Virginia ("Mutual Assurance") and, pursuant to Virginia Code § 38.2-212.C, filed with the State Corporation Commission an application for Mutual Assurance to transact business with a member of its board of directors in the ordinary course of business of Mutual Assurance and of the director. A copy of said application is attached hereto and made a part hereof.

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

IT IS ORDERED that the application of Mutual Assurance Society of Virginia be, and it is hereby, APPROVED.

NOTE: A copy of the application referred to herein is on file and may be examined at the State Corporation Commission, Document Control Center, Floor B-1, Jefferson Building, Governor and Bank Streets, Richmond, Virginia.

CASE NO. INS900028
DECEMBER 18, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
REUBEN MAYFIELD, JR. and MAYFIELD INSURANCE AGENCY, INC.,
Defendants

FINAL ORDER

WHEREAS, by motion filed herein December 13, 1990, the Bureau of Insurance requested that the above-captioned matter be dismissed since the Defendants had voluntarily surrendered their insurance agent's licenses in lieu of hearing before the Commission;

WHEREAS, by ruling entered herein December 14, 1990, the Commission's Hearing Examiner granted the Bureau's Motion to Dismiss and recommended that the Commission enter an order dismissing the Rule to Show Cause and passing the papers to the file for ended causes; and

THE COMMISSION, having considered the Hearing Examiner's ruling and recommendation, is of the opinion that the Rule to Show Cause entered herein should be dismissed and that the papers herein should be passed to the file for ended causes;

THEREFORE, IT IS ORDERED:

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

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

CASE NO. INS900029
FEBRUARY 15, 1990

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

IMPAIRMENT ORDER

WHEREAS, Physicians Health Plan, Inc., ("PHP") a domestic corporation licensed by the Commission to transact the business of a health maintenance organization in the Commonwealth of Virginia, is required by regulation adopted by the Commission in Case No. INS850209, to have a net worth that is at least equal to the sum of all uncovered expenses as defined in subsection 7.H of the regulation for the last three months reported on, however, in no case shall a health maintenance organization be required to maintain a minimum net worth in excess of $2,000,000;

WHEREAS, based on an examination conducted by the Bureau of Insurance, PHP had total uncovered expenses for the last three months of 1989 totalling $2,213,363, which would require PHP to have a net worth on January 1, 1990 of $2,000,000; and

WHEREAS, based on an examination conducted by the Bureau of Insurance, PHP had a net worth of $1,009,790 on January 1, 1990, resulting in an impairment of its net worth of $990,210;

IT IS ORDERED that, on or before April 6, 1990, Defendant eliminate the impairment in its net worth and restore the same to at least the amount required by law 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 group contracts while the impairment of Defendant's net worth exists and until further order of the Commission.

CASE NO. INS900029
APRIL 3, 1990

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

VACATING ORDER

WHEREAS, by order entered herein February 15, 1990, Physicians Health Plan, Inc. (PHP), a domestic health maintenance organization licensed by the Commission, was ordered, inter alia, to eliminate an impairment in its net worth and restore the same to at least the amount required by law no later than April 6, 1990;

WHEREAS, by affidavit dated March 31, 1990 and filed herein, James M. Turnock, President of PHP, advised the Commission that PHP has removed the impairment in its net worth and has restored the same to at least the amount required by law,

IT IS ORDERED that the impairment order entered herein February 15, 1990 be, and it is hereby, VACATED and that, until otherwise ordered by the Commission, PHP may issue new group contracts effective on and after April 1, 1990.

CASE NO. INS900033
DECEMBER 14, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
MERASTAR INSURANCE COMPANY
(formerly Provident General 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 §§ 38.2-317, 38.2-610, 38.2-1906.B, 38.2-2014, 38.2-2113, 38.2-2114, 38.2-2120, 38.2-2202.A, 38.2-2202.B, 38.2-2208, 38.2-2210, 38.2-2212, 38.2-2214, and 38.2-2220 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, 28.1-219 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 eight thousand dollars ($8,000), 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 §§ 38.2-317, 38.2-610, 38.2-1906.B, 38.2-2014, 38.2-2113, 38.2-2114, 38.2-2120, 38.2-2202.A, 38.2-2202.B, 38.2-2208, 28.2-2210, 38.2-2212, 38.2-2214 or 38.2-2220 as well as Section 9(d) 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. INS900035
APRIL 25, 1990

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

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in a certain instance, violated Virginia Code § 38.2-1810 by failing to file with the Bureau of Insurance a complete statement of the relevant facts and circumstances of a certain agent's misappropriation of collected premium;

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, without admitting that it committed any violations of law, has made an offer of compromise and settlement to the Commission without prejudice and solely for the purpose of settling a disputed claim wherein Defendant has tendered to the Commonwealth of Virginia the sum of five thousand dollars ($5,000) has waived its right to a hearing; and

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. INS900041
APRIL 11, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
LYMAN M. KELLEY, JR.
and
A. L. KELLEY & SON, INC.,
Defendants

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendants, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated Virginia Code § 38.2-1813 by failing to hold collected premiums in a fiduciary capacity and account for and remit these premiums to an insurer, insured or assignee 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 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 dollars ($10,000), have waived their right to a hearing, have agreed to the entry by the Commission of a cease and desist order, have agreed to hire an independent audit firm subject to the approval of the Bureau of Insurance and at their own expense to conduct an audit of those accounts identified in the Bureau's investigation and to prepare a complete report of its findings, and have agreed to return any premium credits discovered by such audit to the insureds within ten (10) days of the completion of the audit; 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 Defendants cease and desist from any conduct which constitutes a violation of Virginia Code § 38.2-1813; and

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

CASE NO. INS900051
MARCH 26, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
PEERLESS INSURANCE COMPANY
and
FIRST OF GEORGIA 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: Peerless Insurance Company violated Virginia Code §§ 38.2-231, 38.2-304, 38.2-305, 38.2-508, 38.2-610, 38.2-1822, 38.2-1906.B, 38.2-1908.B, 38.2-2014, 38.2-2113, 38.2-2114, 38.2-2202.A, 38.2-2206, 38.2-2208, 38.2-2210, 38.2-2212, and Sections 4.4 and 4.5 of the Commission's Rules Governing Insurance Premium Finance Companies; and First of Georgia Insurance Company violated Virginia Code §§ 38.2-304, 38.2-317, 38.2-610, 38.2-1822, 38.2-2113, 38.2-2114, 38.2-2118, 38.2-2120, 38.2-2202 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 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 twenty-three thousand dollars ($23,000), 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, Peerless Insurance Company, cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-231, 38.2-304, 38.2-305, 38.2-508, 38.2-610, 38.2-1822, 38.2-1906.B, 38.2-1908.B, 38.2-2014, 38.2-2113, 38.2-2114, 38.2-2202.A, 38.2-2206, 38.2-2208, 38.2-2210, 38.2-2212, or Sections 4.4 and 4.5 of the Commission's Rules Governing Insurance Premium Finance Companies;

(3) That Defendant, First of Georgia Insurance Company, cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-304, 38.2-317, 38.2-610, 38.2-1822, 38.2-2113, 38.2-2114, 38.2-2118, 38.2-2120, 38.2-2202, or 38.2-2220; and

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

CASE NO. INS900052
MAY 18, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
STATE CAPITAL 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 §§ 38.2-231, 38.2-304, 38.2-305, 38.2-610, 38.2-1906, 38.2-1908, 38.2-2014, 38.2-2113, 38.2-2114, 38.2-2118, 38.2-2120, 38.2-2202, 38.2-2208, 38.2-2210, 38.2-2212, 38.2-2220, as well as the Commission's Rules Governing Standards for the Content of Fire Insurance or Fire Insurance in Combination with Other Coverages;

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 fifteen thousand dollars ($15,000) has waived its right to a hearing and has agreed to the entry by the Commission of a cease and desist order; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in 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 §§ 38.2-2113, 38.2-2114, 38.2-2120, 38.2-2202, 38.2-2208, 38.2-2212 or 38.2-2220; and

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

CASE NO. INS900054
MARCH 20, 1990

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

IMPAIRMENT ORDER

WHEREAS, Millers National Insurance Company, a foreign corporation domiciled in the State of Illinois 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, Defendant's annual statement as of December 31, 1989, filed with the Commission's Bureau of Insurance, reflects capital of $2,500,000 and surplus of $615,125,

IT IS ORDERED that, on or before May 18, 1990, 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. INS900054
MAY 22, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
MILLERS NATIONAL 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 20, 1990, 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 18, 1990; and

WHEREAS, as of the date of this order Defendant has failed to eliminate the impairment in its surplus,

IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to June 6, 1990, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before June 6, 1990, 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. INS900054
JUNE 12, 1990

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

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein May 22, 1990, Defendant was ordered to take notice that the Commission would enter an order subsequent to June 6, 1990, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before June 6, 1990, Defendant filed with the Clerk of the Commission a request for a hearing before the Commission with respect to 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,

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; and

(4) 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. INS900058
APRIL 25, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
CORNELIO C. ABESA, IV,
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 account for or remit when due certain premiums collected on behalf of Home Beneficial Life Insurance Company;

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 13, 1990, 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 account for or remit when due certain premiums collected on behalf of Home Beneficial Life Insurance Company;

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. INS900072
APRIL 11, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
DAVID BALLINGER PALMER,
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 and property and casualty agent, in certain instances, violated Virginia Code §§ 38.2-1813, 38.2-310 and 38.2-1809 by failing to hold collected premiums in a fiduciary capacity and account for and remit these premiums to an insurer or insured entitled to payment when due, by charging fees for the procurement of insurance which were not included in the premium or stated in the policy, and by failing to provide to the Bureau of Insurance Defendant's insurance records;

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 5, 1990 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 licenses 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, 38.2-310 and 38.2-1809 by failing to hold collected premiums in a fiduciary capacity and account for and remit these premiums to an insurer or insured entitled to payment when due, by charging fees for the procurement of insurance which were not included in the premium or stated in the policy, and by failing to provide to the Bureau of Insurance Defendant's insurance records;

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 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. INS900073
APRIL 4, 1990

APPLICATION OF
VIRGINIA FARM BUREAU MUTUAL INSURANCE COMPANY

For approval of redemption of certificates pursuant to Virginia Code § 38.2-1034

ORDER GRANTING APPROVAL OF APPLICATION

WHEREAS, Virginia Code § 38.2-1034 provides that a domestic mutual insurer may not repay, in whole or in part, any funds borrowed pursuant to said section without (i) sufficient earned surplus and (ii) the prior approval of the Commission;

WHEREAS, by letter dated March 20, 1990 and filed herein, Virginia Farm Bureau Mutual Insurance Company (VFBMIC), a domestic insurance company licensed by the Commission, has applied to the Commission for approval to redeem up to $500,000.00 of funds borrowed pursuant to the aforesaid Code section through June 30, 1990; and

WHEREAS, the Bureau of Insurance has recommended that the Commission grant approval of the application,

THE COMMISSION, having considered the application herein, the recommendation of the Bureau of Insurance and the law applicable in this matter, is of the opinion that the application of VFBMIC should be granted.

THEREFORE, IT IS ORDERED that the application of Virginia Farm Bureau Mutual Insurance Company to redeem through June 30, 1990, up to $500,000.00 of funds borrowed pursuant to Virginia Code § 38.2-1034 be, and it is hereby, GRANTED.

CASE NO. INS900084
APRIL 17, 1990

PETITION OF
EQUITABLE LIFE INSURANCE COMPANY
and
AMERICAN GENERAL CORPORATION

For a rule to show cause and a restraining order against Torchmark Corporation, Liberty National Life Insurance Comany, Messrs. R.K. Richey, Jon W. Rotenstreich, William T. Graves, Samuel E. Upchurch, Jr., David A. Finley, C. Roderick O'Neil, Clive Runnells, John H. Young and Robert H. Allen

ORDER

On April 17, 1990, at 9:30 a.m., the Commission heard counsels' oral argument in its courtroom concerning (i) the Petition of Equitable Life Insurance Company (Equitable), a domestic insurer, and its affiliate American General Corporation (American) for a rule to show cause and a restraining order; (ii) Equitable's and American's motion to disallow the disclaimer of control of Torchmark Corporation (Torchmark); and (iii) Torchmark's motion to dismiss such petition.

AND THE COMMISSION, having considered the filings of the parties, the argument of counsel and the law applicable in this matter, is of the opinion and finds that Torchmark's solicitation of proxies for (i) the election of five (5) directors to the fifteen (15) member board of directors of American and (ii) the nonbinding resolution, without Torchmark's first filing, and the Commission's approving, an application for acquisition of control of Equitable, does not constitute a violation of the insurance holding company provisions of Title 38.2 of the Code of Virginia (§§ 38.2-1322 et seq.). The limited power to elect the five nominees in question through the direct or indirect possession of proxies representing ten percent or more of the eligible voting securities of American does not render Torchmark or any other person or persons in control of American. Moreover, should Torchmark be successful in its "attempt" to elect a minority of five persons to American's board, "control" of American will not have changed. While it appears that Torchmark may eventually seek to acquire control of Equitable through the acquisition of American, it is simply premature under the current circumstances of this matter to require the filing of an application for acquisition of control of Equitable.

THEREFORE, IT IS ORDERED that the petition and motion of Equitable and American be, and they are hereby, DENIED; and that the motion of Torchmark to dismiss the petition of Equitable and American be, and it is hereby, is GRANTED.

CASE NO. INS900089
APRIL 25, 1990

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

IMPAIRMENT ORDER

WHEREAS, The Chesapeake Life Insurance Company, a foreign corporation domiciled in the State of Maryland 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, Defendant's Annual Statement as of December 31, 1989, filed with the Commission's Bureau of Insurance, reflects capital of $1,542,022 and surplus of $869,953,

IT IS ORDERED that, on or before June 15, 1990, 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. INS900089
SEPTEMBER 5, 1990

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

FINAL ORDER

WHEREAS, by order entered herein April 25, 1990, Defendant was ordered to make good an impairment in its surplus and restore the same to at least the minimum amount required by Virginia law and to issue no new contracts or policies of insurance in the Commonwealth of Virginia during the existence of such impairment and until further order of the Commission; and

WHEREAS, by affidavit of Defendant's President, the Commission has been advised that Defendant has restored its surplus to at least the minimum amount required by Virginia law, $1,000,000;

THEREFORE, IT IS ORDERED:

(1) That the provision in the order of April 25, 1990, enjoining Defendant from issuing any new contracts or policies of insurance in the Commonwealth of Virginia during the existence of the aforesaid impairment in Defendant's surplus be, and it is hereby, VACATED; and

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

CASE NO. INS900090
APRIL 17, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
AMERICAN SECURITY LIFE ASSURANCE COMPANY OF NORTH CAROLINA,
Defendant

IMPAIRMENT ORDER

WHEREAS, American Security Life Assurance Company of North Carolina, a foreign corporation domiciled in the State of North Carolina and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, is required to maintain minimum capital of $200,000 and minimum surplus of $100,000;

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, Defendant's Annual Statement as of December 31, 1989, filed with the Commission's Bureau of Insurance, reflects capital of $1,200,000 and surplus of ($102,427),

IT IS ORDERED that, on or before June 15, 1990, Defendant eliminate the impairment in its surplus and restore the same to at least $100,000 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. INS900090
AUGUST 8, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
AMERICAN SECURITY LIFE ASSURANCE COMPANY OF NORTH CAROLINA,
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 April 17, 1990, Defendant was ordered to eliminate the impairment in its surplus and restore the same to at least $100,000 and advise the Commission of the accomplishment thereof by affidavit of Defendant's president or other authorized officer on or before June 15, 1990; and

WHEREAS, as of the date of this order, Defendant has failed to eliminate the impairment in its surplus;

THEREFORE, IT IS ORDERED that the Defendant TAKE NOTICE that the Commission shall enter an order subsequent to August 21, 1990, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before August 21, 1990, 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. INS900090
OCTOBER 15, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
AMERICAN SECURITY LIFE ASSURANCE COMPANY OF NORTH CAROLINA,
Defendant

ORDER SUSPENDING LICENSE

WHEREAS, by order entered herein August 27, 1990, Defendant was ordered to appear in the Commission's Courtroom at 10:00 a.m. on October 16, 1990, 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;

WHEREAS, by letter filed with the Clerk of the Commission on October 9, 1990, Defendant agreed to withdraw its request for a hearing and agreed to a voluntary suspension of its license to transact the business of insurance;

WHEREAS, on October 10, 1990, the Bureau of Insurance filed a Motion to Dismiss with the Clerk of the Commission requesting that the aforesaid Rule to Show Cause hearing be dismissed and that the Commission enter an order suspending Defendant's license to transact the business of insurance in the Commonwealth of Virginia; and

THE COMMISSION, having considered the record herein, is of the opinion that the Rule to Show Cause hearing should be dismissed and that Defendant's license to transact the business of insurance in the Commonwealth of Virginia should be suspended;

THEREFORE, IT IS ORDERED:

(1) That the Rule to Show Cause hearing scheduled herein be, and it is hereby, DISMISSED;

(2) 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;

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

(4) That the appointments of Defendant's agents to act on behalf of Defendant 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. INS900091
MAY 7, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
TRANSPORT 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, 38.2-511, 38.2-610.A.2, 38.2-1810, 38.2-1812.A, 38.2-1822.B.1, 38.2-1833.A, and 38.2-1834.C;

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 twenty-five thousand dollars ($25,000) 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. INS900106
APRIL 30, 1990

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

IMPAIRMENT ORDER

WHEREAS, Santafe Insurance Company, a foreign corporation domiciled in the State of Indiana and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, is required to maintain minimum capital of $1,000,000 and minimum surplus of $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 Annual Statement of Defendant as of December 31, 1989, filed with the Commission's Bureau of Insurance, indicates capital of $1,600,000 and surplus of $893,146,

IT IS ORDERED that, on or before June 27, 1990, 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. INS900106
JULY 12, 1990

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

FINAL ORDER

WHEREAS, by order entered herein April 30, 1990, Defendant was ordered to make good an impairment in its surplus and restore the same to at least the minimum amount required by Virginia law and to issue no new contracts on policies of insurance in the Commonwealth of Virginia during the existence of such impairment and until further order of the Commission; and

WHEREAS, by affidavit of Defendant's Vice President, the Commission has been advised that Defendant has restored its surplus to at least the minimum amount required by Virginia law, $1,000,000;

THEREFORE, IT IS ORDERED:

(1) That the provision in the order of April 30, 1990, enjoining Defendant from issuing new contracts or policies of insurance in the Commonwealth of Virginia during existence of the aforesaid impairment in Defendant's surplus be, and it is hereby, VACATED; and

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

CASE NO. INS900171
JUNE 11, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
THOMAS JEFFERSON KIRBY, JR.,
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 account for or remit when due certain premiums collected on behalf of Independent Life Insurance Company;

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 30, 1990 and mailed to 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 § 38.1-1813 by failing to account for or remit when due certain premiums collected on behalf of Independent Life Insurance Company;

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 agency;

(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. INS900172
JULY 20, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
BRYAN DAVID ASSENAT, et al.,
Defendants

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendants, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, 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 38.2-1831 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 five thousand dollars ($5,000), 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 Defendants cease and desist from any conduct which constitutes a violation of Virginia Code § 38.2-1805.A; and

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

CASE NO. INS900173
MAY 9, 1990

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

ORDER TO TAKE NOTICE

WHEREAS, on January 3, 1987, Nationwide Legal Services of Virginia, Inc. was licensed by the Commission as a legal services plan in the Commonwealth of Virginia;

WHEREAS, Virginia Code § 38.2-1300 requires that each insurer licensed to transact the business of insurance in the Commonwealth of Virginia file with the Commission annually, on or before March 1, an annual statement showing its financial condition on December 31 of the previous year; and

WHEREAS, Defendant has failed to file its 1989 annual statement with the Commission,

IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to May 23, 1990, revoking Defendant's license to transact the business of insurance in the Commonwealth of Virginia unless on or before May 23, 1990, 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. INS900173
MAY 25, 1990

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

ORDER REVOKING LICENSE

WHEREAS, for the reasons stated in an order entered herein May 9, 1990, Defendant was ordered to take notice that the Commission would enter an order subsequent to May 23, 1990, revoking the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before May 23, 1990, Defendant filed with the Clerk of the Commission a request for a hearing before the Commission with respect to 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,

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. INS900185
JUNE 21, 1990

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

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in a certain instance, violated Virginia Code § 38.2-1905.2 and order entered in Case No. INS890517 by failing to file timely with the Bureau of Insurance the Supplemental Report for Certain Lines and Subclassifications of Liability Insurance;

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 five thousand dollars ($5,000) has waived its right to a hearing and has agreed to the entry by the Commission of a cease and desist order; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in 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 § 38.2-1905.2; and

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

CASE NO. INS900186
JUNE 21, 1990

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

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in a certain instance, violated Virginia Code § 38.2-1905.2 and the order entered in Case No. INS890517 by failing to file timely with the Bureau of Insurance the Supplemental Report for Certain Lines and Subclassifications of Liability Insurance;

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 five thousand dollars ($5,000) has waived its right to a hearing and has agreed to the entry by the Commission of a cease and desist order; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in 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 § 38.2-1905.2; and

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

CASE NO. INS900187
JULY 12, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
AETNA CASUALTY AND SURETY COMPANY OF AMERICA,
Defendant

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in a certain instance, violated Virginia Code § 38.2-1905.2 and the order entered by the Commission in Case No. INS890517 and the cease and desist order entered in Case No. INS890346 by failing to file timely with the Bureau of Insurance the Supplemental Report for Certain Lines and Subclassifications of Liability Insurance;

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 five thousand dollars ($5,000), has waived its right to a hearing and has agreed to the entry by the Commission of a cease and desist order; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in 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 § 38.2-1905.2; and

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

CASE NO. INS900188
JULY 12, 1990

STATE CORPORATION COMMISSION
v.
VALIANT INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in a certain instance, violated Virginia Code § 38.2-1905.2 and the order entered by the Commission in Case No. INS890517 and the cease and desist order entered in Case No. INS880395 by failing to file timely with the Bureau of Insurance the Supplemental Report for Certain Lines and Subclassifications of Liability Insurance;

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 five thousand dollars ($5,000), has waived its right to a hearing and has agreed to the entry by the Commission of a cease and desist order; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in 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 § 38.2-1905.2; and

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

CASE NO. INS900189
JULY 12, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
MARYLAND CASUALTY COMPANY,
Defendant

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in a certain instance, violated Virginia Code § 38.2-1905.2 and the order entered by the Commission in Case No. INS890517 and the cease and desist order entered in Case No. INS880387 by failing to file timely with the Bureau of Insurance the Supplemental Report for Certain Lines and Subclassifications of Liability Insurance;

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 five thousand dollars ($5,000) has waived its right to a hearing and has agreed to the entry by the Commission of a cease and desist order; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in 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 § 38.2-1905.2; and

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

CASE NO. INS900190
JULY 12, 1990

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

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in a certain instance, violated Virginia Code § 38.2-1905.2 and the order entered by the Commission in Case No. INS890517 and the cease and desist order entered in Case No. INS880384 by failing to file timely with the Bureau of Insurance the Supplemental Report for Certain Lines and Subclassifications of Liability Insurance;

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 five thousand dollars ($5,000), has waived its right to a hearing and has agreed to the entry by the Commission of a cease and desist order; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in 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 § 38.2-1905.2; and

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

CASE NO. INS900191
JULY 12, 1990

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

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in a certain instance, violated Virginia Code § 38.2-1905.2 and the order entered by the Commission in Case No. INS890517 and the cease and desist order entered in Case No. INS880392 by failing to file timely with the Bureau of Insurance the Supplemental Report for Certain Lines and Subclassifications of Liability Insurance;

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 five thousand dollars ($5,000), has waived its right to a hearing and has agreed to the entry by the Commission of a cease and desist order; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in 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 § 38.2-1905.2; and

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

CASE NO. INS900196
JUNE 21, 1990

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

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in a certain instance, violated Virginia Code § 38.2-1905.2 and the order entered in Case No. INS890517 and the cease and desist order entered in Case No. INS890349 by failing to file timely with the Bureau of Insurance the Supplemental Report for Certain Lines and Subclassifications of Liability Insurance;

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 five thousand dollars ($5,000) has waived its right to a hearing and has agreed to the entry by the Commission of a cease and desist order; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in 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 § 38.2-1905.2; and

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

CASE NO. INS900197
JUNE 22, 1990

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

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in a certain instance, violated Virginia Code § 38.2-1905.2 and the order entered in Case No. INS890517 and the cease and desist order entered in Case No. INS890347 by failing to file timely with the Bureau of Insurance the Supplemental Report for Certain Lines and Subclassifications of Liability Insurance;

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 five thousand dollars ($5,000), has waived its right to a hearing and has agreed to the entry by the Commission of a cease and desist order; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in 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 § 38.2-1905.2; and

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

CASE NO. INS900198
JULY 19, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
HOW INSURANCE COMPANY, A RISK RETENTION GROUP,
Defendant

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in a certain instance, violated Virginia Code § 38.2-1905.2 and the order entered by the Commission in Case No. INS890517 by failing to file timely with the Bureau of Insurance the Supplemental Report for Certain Lines and Subclassifications of Liability Insurance;

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 five thousand dollars ($5,000), has waived its right to a hearing and has agreed to the entry by the Commission of a cease and desist order; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in 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 § 38.2-1905.2; and

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

CASE NO. INS900216
JULY 12, 1990

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

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in a certain instance, violated Virginia Code § 38.2-1905.2 and the order entered by the Commission in Case No. INS890517 by failing to file timely with the Bureau of Insurance the Supplemental Report for Certain Lines and Subclassifications of Liability Insurance;

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 five thousand dollars ($5,000), has waived its right to a hearing and has agreed to the entry by the Commission of a cease and desist order; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in 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 § 38.2-1905.2; and

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

CASE NO. INS900222
AUGUST 2, 1990

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

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in a certain instance, violated Virginia Code § 38.2-1905.2, the Order entered in Case No. INS890517 and the Cease and Desist Order entered in Case No. INS890295 by failing to file timely with the Bureau of Insurance the Supplemental Report for Certain Lines and Subclassifications of Liability Insurance;

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 fivethousand dollars ($5,000), has waived its right to a hearing and has agreed to the entry by the Commission of a cease and desist order; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in 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 § 38.2-1905.2; and

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

CASE NO. INS900223
AUGUST 8, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
INTERNATIONAL CARGO AND SURETY INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in a certain instance, violated Virginia Code § 38.2-1905.2 and the order entered by the Commission in Case No. INS890517 by failing to file timely with the Bureau of Insurance the Supplemental Report for Certain Lines and Subclassifications of Liability Insurance;

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 five thousand dollars ($5,000), has waived its right to a hearing and has agreed to the entry by the Commission of a cease and desist order; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in 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 § 38.2-1905.2; and

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

CASE NO. INS900232
JULY 19, 1990

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

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in a certain instance, violated Virginia Code § 38.2-1905.2 and the order entered by the Commission in Case No. INS890517 by failing to file timely with the Bureau of Insurance the Supplemental Report for Certain Lines and Subclassifications of Liability Insurance;

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 five thousand dollars ($5,000), has waived its right to a hearing and has agreed to the entry by the Commission of a cease and desist order; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in 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 § 38.2-1905.2; and

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

CASE NO. INS900234
JULY 19, 1990

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

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in a certain instance, violated Virginia Code § 38.2-1905.2 and the order entered by the Commission in Case No. INS890517 by failing to file timely with the Bureau of Insurance the Supplemental Report for Certain Lines and Subclassifications of Liability Insurance;

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 five thousand dollars ($5,000), has waived its right to a hearing and has agreed to the entry by the Commission of a cease and desist order; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in 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 § 38.2-1905.2; and

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

CASE NO. INS900235
JULY 19, 1990

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

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in a certain instance, violated Virginia Code § 38.2-1905.2 and the order entered by the Commission in Case No. INS890517 by failing to file timely with the Bureau of Insurance the Supplemental Report for Certain Lines and Subclassifications of Liability Insurance;

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 five thousand dollars ($5,000), has waived its right to a hearing and has agreed to the entry by the Commission of a cease and desist order; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in 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 § 38.2-1905.2; and

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

CASE NO. INS900237
JULY 19, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
MERCHANTS AND BUSINESS MEN'S MUTUAL INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in a certain instance, violated Virginia Code § 38.2-1905.2 and the order entered by the Commission in Case No. INS890517 and the cease and desist order entered in Case No. INS890411 by failing to file timely with the Bureau of Insurance the Supplemental Report for Certain Lines and Subclassifications of Liability Insurance;

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 five thousand dollars ($5,000) has waived its right to a hearing and has agreed to the entry by the Commission of a cease and desist order; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in 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 § 38.2-1905.2; and

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

CASE NO. INS900245
JUNE 27, 1990

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

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in a certain instance, violated Virginia Code § 38.2-1905.2, the Order entered in Case No. INS890517 and the Cease and Desist Order entered in Case No. INS890301 by failing to file timely with the Bureau of Insurance the Supplemental Report for Certain Lines and Subclassifications of Liability Insurance;

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 five thousand dollars ($5,000) has waived its right to a hearing and has agreed to the entry by the Commission of a cease and desist order; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in 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 § 38.2-1905.2; and

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

CASE NO. INS900249
SEPTEMBER 27, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
MARVIN LEWIS SOUTHALL,
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 § 38.2-1805.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 38.2-1831 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 21, 1990 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 § 38.2-1805.A by accepting payment of premiums in arrears on policies of life insurance or accident and sickness insurance which had lapsed;

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. INS900255
JUNE 27, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
WILLIAM F. YOAKUM,
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 account for or remit to the insurer when due premiums collected from certain insureds;

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 5, 1990, 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 account for or remit to the insurer when due premiums collected from certain insureds;

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. INS900256
SEPTEMBER 7, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte, In re: Determination of competition as an effective regulator of rates pursuant to Virginia Code § 38.2-1905.1.E.

FINAL ORDER

On September 4, 1990, pursuant to an order entered herein June 28, 1990, the Commission conducted a hearing on whether competition is an effective regulator of rates charged for certain lines and subclassifications of commercial liability insurance, which lines and subclassifications were designated and set forth in the Commission's 1989 Report to the General Assembly pursuant to Virginia Code § 38.2-1905.1.C.; and

THE COMMISSION, having considered the record in this proceeding and the law applicable herein, is of the opinion, finds and ORDERS:

(1) That competition is not an effective regulator of the rates charged for insurance agents professional liability insurance; law enforcement agencies liability insurance; lawyers professional liability insurance; medical professional liability insurance; real estate agents professional liability insurance; detective or investigative agencies liability insurance (private); gas companies liability insurance; public officials errors and omissions liability insurance; school board errors and omissions liability insurance; security guards liability insurance; sewage treatment plants liability insurance; volunteer fire department and rescue squads liability insurance; and water treatment plants liability insurance; and that, pursuant to Virginia Code § 38.2-1912, for twenty-seven (27) months from the date of this order or until further order of the Commission, whichever is sooner, all insurance companies licensed to write the aforesaid lines and subclassifications of insurance and, to the extent permitted by law, all rate service organizations licensed pursuant to the provisions of Chapter 19 of Title 38.2 of the Code of Virginia shall file with the Commissioner of Insurance any and all changes in the rates and supplementary rate information for these lines and subclassifications of insurance, and, pursuant to Virginia Code § 38.2-1912.B. and D., such supporting data and information as is deemed necessary by the Commissioner of Insurance for the proper functioning of the rate monitoring and regulating process at least sixty (60) days before they become effective;

(2) That, while evidence was presented at the hearing concerning competition with respect to architects and engineers professional liability insurance; directors and officers liability; public housing liability insurance; asbestos abatement contractors liability insurance; landfill liability insurance; and underground tanks liability insurance, pursuant to Virginia Code § 38.2-1903, and for good cause shown, these lines and subclassifications of insurance be, and they are hereby, exempted from the rate-filing provisions of Chapter 19 of Title 38.2 of the Code of Virginia;

(3) That the Bureau of Insurance, with input from the Division of Consumer Counsel of the Office of Attorney General and the property and casualty insurance industry, shall conduct a study of insurer rating practices with respect to the lines and subclassifications of insurance which, by this order, have been exempted from the rate-filing requirements of Chapter 19 of Title 38.1 and, on or before September 1, 1991, report to the Commission its findings; and

(4) That, on or before December 31, 1990, the Bureau of Insurance, the Division of Consumer Counsel of the Office of the Attorney General and any licensed property and casualty insurer who wishes to do so file written comments with the Commission with respect to the feasibility of amending the present supplemental reporting forms to conform to a format substantially similar to that adopted by the National Association of Insurance Commissioners for the Insurance Expense Exhibit which is filed as a supplement to each insurer's Annual Statement.

CASE NO. INS900257
JULY 12, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
WILLIAM HENRY NORTHUP, JR.,
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 a certain instance, was convicted of two felonies for grand larceny in the Circuit Court of Henrico County on February 27, 1990;

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 acts;

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 13, 1990, 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's license to transact the business of insurance in the Commonwealth of Virginia should be revoked pursuant to Virginia Code § 38.2-1831.9;

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. INS900258
JULY 17, 1990

APPLICATION OF
TRANSAMERICA TITLE INSURANCE COMPANY

For approval of application for acquisition of control of domestic insurer Southern Title Insurance Company pursuant to Virginia Code §§ 38.2-1323 and 38.2-1326

ORDER APPROVING APPLICATION

ON A FORMER DAY came Transamerica Title Insurance Company (Transamerica), a California-domiciled insurer licensed to transact the business of insurance in the Commonwealth of Virginia, and, pursuant to Virginia Code § 38.2-1323, filed with the Clerk of the Commission an application for approval of acquisition of control of Southern Title Insurance Company, a domestic insurer;

AND THE COMMISSION, having considered the application of Transamerica, the recommendation of the Bureau of Insurance that the application of Transamerica be approved and the law applicable in this matter including Virginia Code § 38.2-1326, is of the opinion that the Commission should approve the application of Transamerica to acquire control of Southern Title Insurance Company.

THEREFORE, IT IS ORDERED:

(1) That the application of Transamerica Title Insurance Company to acquire control of domestic insurer Southern Title Insurance Company be, and it is hereby, APPROVED; and

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

CASE NO. INS900265
AUGUST 23, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
TAWFIK ABDULLAH ET AL.,
Defendants

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendants, whose names are set forth in Attachment A which is attached hereto and which is hereby made a part hereof, each of whom is duly licensed by the Commission to transact the business of insurance as an insurance agent in the Commonwealth of Virginia, in certain instances, violated Virginia Code § 38.2-1805.A. by accepting partial payments of premiums on certain policies of insurance in arrears which payments nevertheless did not entitle the holders of said policies of insurance to make immediate application for reinstatement of such policies;

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 Defendants' licenses upon a finding by the Commission, after notice and opportunity to be heard, that Defendants committed the aforesaid alleged violations; and

IT FURTHER APPEARING that Defendants have been advised of their rights to 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 thirty-five thousand ($35,000), have waived their rights to hearing and have agreed to the entry by the Commission of cease and desist orders, which offer of settlement the Bureau of Insurance has recommended that the Commission accept 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 Defendants cease and desist from any conduct which constitutes a violation of Virginia Code § 38.2-1805.A.; and

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

NOTE: The list of defendants identified as Appendix A is on file and may be examined at the State Corporation Commission, Document Control Center, Floor B-1, Jefferson Building, Richmond, Virginia.

CASE NO. INS900267
AUGUST 13, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
SENTARA HEALTH PLANS, 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 §§ 38.2-502.1, 38.2-511, 38.2-606.7.b(1), 38.2-606.8, 38.2-316.A, 38.2-4306.A.2 and 38.2-4306.B.1 as well as Sections 6.A(1), 6.B(1), 7, 9.A, 9.B. 9.C and 13.A of the Commission's Rules Governing Advertisement of Accident and Sickness Insurance and Section 12.A 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 eight thousand dollars ($8,000) 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. INS900268
JULY 17, 1990

APPLICATION OF
NATIONAL UNION LIFE INSURANCE COMPANY

For approval of surrender of license and transfer of assets pursuant to Virginia Code § 38.2-216

ORDER ACCEPTING SURRENDER OF LICENSE AND APPROVING TRANSFER OF ASSETS

ON A FORMER DAY came National Union Life Insurance Company (NULIC), an affiliate of Jefferson Bankshares, Inc., and surrendered its license to the Bureau of Insurance; and, pursuant to Virginia Code § 38.2-216, requested approval to transfer all of its remaining

assets to its management company, Charter Insurance Managers, Inc. (CIM) in accordance with the management contract between NULIC and CIM, which contract, as amended from time to time, was heretofore approved by the Commission;

AND THE COMMISSION, having considered (i) the requests of NULIC; (ii) a confirmation by the Bureau of Insurance that an examination of NULIC confirms that there are no outstanding liabilities of NULIC other than to CIM; (iii) a recommendation of the Bureau of Insurance that the requests of NULIC be approved, provided that the deposit of NULIC held by the Treasurer of the Commonwealth be retained for a period of one (1) year from the date of this order at which time such deposit should be released to CIM; and (iv) the law applicable in this matter, is of the opinion that the Commission should approve the requests of NULIC.

THEREFORE, IT IS ORDERED:

(1) That the surrender of the license of National Union Life Insurance Company be, and it is hereby, accepted;

(2) That the Bureau of Insurance shall forthwith cancel the license of National Union Life Company and record the same upon its records;

(3) That National Union Life Insurance Company be, and it is hereby, authorized to transfer its remaining assets to Charter Insurance Managers, Inc. in accordance with their aforesaid contract; and

(4) That the deposit of National Union Life Insurance Company held by the Treasurer of Virginia be retained by the Treasurer for one (1) year from the date of this order at which time, upon the request of National Union Life Insurance Company or Charter Insurance Managers, Inc., the Bureau of Insurance may authorize the Treasurer to release said deposit to Charter Insurance Managers, Inc.; provided, however, that the Bureau shall not authorize the release of said deposit unless, on the date of such authorization, the Bureau of Insurance is satisfied that National Union Life Insurance Company continues to have no outstanding liabilities other than to Charter Insurance Managers, Inc.; and

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

CASE NO. INS900269
JULY 17, 1990

APPLICATION OF
VIRGINIA FARM BUREAU MUTUAL INSURANCE COMPANY

For approval of redemption of certificates pursuant to Virginia Code § 38.2-1034

ORDER GRANTING APPROVAL OF APPLICATION

WHEREAS, Virginia Code § 38.2-1034 provides that a domestic mutual insurer may not repay, in whole or in part, any funds borrowed pursuant to said section without (i) sufficient earned surplus and (ii) the prior approval of the Commission;

WHEREAS, by letter dated July 3, 1990 and filed herein, Virginia Farm Bureau Mutual Insurance Company (VFBMIC), a domestic insurance company licensed by the Commission, has applied to the Commission for approval to redeem up to $500,000 of funds borrowed pursuant to the aforesaid Code section through December 31, 1990; and

WHEREAS, the Bureau of Insurance has recommended that the Commission grant approval of the application,

THE COMMISSION, having considered the application herein, the recommendation of the Bureau of Insurance and the law applicable this matter, is of the opinion that the application of VFBMIC should be granted.

THEREFORE, IT IS ORDERED that the application of Virginia Farm Bureau Mutual Insurance Company to redeem through December 31, 1990, up to $500,000 of funds borrowed pursuant to Virginia Code § 38.2-1034 be, and it is hereby, GRANTED.

CASE NO. INS900275
AUGUST 23, 1990

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination conducted by the Bureau of Insurance that Defendant, Southern Insurance Company of Virginia, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, may have violated Virginia Code §§ 38.2-231, 38.2-2113, 28.2-2120, 38.2-2208 and 38.2-2212;

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 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 law and solely for the purpose of settlement, 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 this Settlement Order, which offer of settlement the Bureau of Insurance has recommended that the Commission accept 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 Defendant cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-231, 38.2-2113, 38.2-2120, 38.2-2208 and 38.2-2212; and

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

CASE NO. INS900276
JULY 30, 1990

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

ORDER SUSPENDING LICENSE AND TO TAKE NOTICE

WHEREAS, by order of the Superior Court of the State of California for the County of Los Angeles dated February 2, 1987, in Case No. 0634774, Mission American Insurance Company (MAIC), a foreign insurer domiciled in the State of California and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, was placed in conservatorship and the Insurance Commissioner of the State of California was appointed conservator of MAIC;

WHEREAS, effective September 1, 1988, for failure of MAIC to pay certain registration fees required by Title 13.1 of the Code of Virginia, the Commission revoked the certificate of authority of (MAIC) to transact business as a foreign corporation in the Commonwealth of Virginia;

WHEREAS, MAIC has advised the Bureau of Insurance that MAIC has reinsured all its risks in their entirety in another insurer;

WHEREAS, Virginia Code § 38.2-1040.6., 7. and 9. provide, inter alia, that the Commission may suspend or revoke the license of MAIC for the reasons set forth in the second and third paragraphs hereof; and

WHEREAS, Virginia Code § 38.2-1041 provides, inter alia, that the Commission may immediately suspend the license of an insurer without prior notice to the insurer whenever the certificate of authority of the insurer is revoked in this Commonwealth,

IT IS ORDERED:

(1) That the license of Mission American Insurance Company to transact the business of insurance in the Commonwealth of Virginia be, and it is hereby, SUSPENDED pursuant to the provisions of Virginia Code § 38.2-1041; and

(2) That Mission American Insurance Company TAKE NOTICE that the Commission shall enter an order REVOKING the license of Mission American Insurance Company to transact the business of insurance in the Commonwealth of Virginia unless, on or before August 30, 1990, Mission American Insurance Company files with the Clerk of the Commission a request for a hearing to show cause why the Commission should not revoke the license of Mission American Insurance Company.

CASE NO. INS900276
SEPTEMBER 6, 1990

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

ORDER REVOKING LICENSE

WHEREAS, for the reasons stated in an order entered herein July 30, 1990, Defendant was ordered to take notice that the Commission would enter an order subsequent to August 30, 1990, revoking the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before August 30, 1990, Defendant filed with the Clerk of the Commission a request for a hearing before the Commission with respect to 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,

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. INS900282
OCTOBER 25, 1990

APPLICATION OF
NATIONAL COUNCIL ON COMPENSATION INSURANCE

For revision of workers' compensation insurance rates

FINAL ORDER

THE APPLICATION herein was heard on October 17, 18 and 19, 1990, and taken under advisement, it appearing to the Commission that applicant had complied with the notice requirements set forth in the Commission's order of July 31, 1990. The applicant, the Bureau of Insurance, protestant Iron Workers Employers Association of Metropolitan Washington, D.C., protestant Washington Construction Employers Association, and the Division of Consumer Counsel of the Office of the Attorney General were represented by their counsel.

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

THE COMMISSION is of the opinion, finds and orders:

(1) That the factor of 1.044 proposed by applicant to adjust for experience produces excessive premiums and, in lieu thereof, a factor of 1.003 shall be utilized;

(2) That the factor of 1.042 proposed by applicant as a change in trend produces excessive premiums and, in lieu thereof, a factor of 1.018 shall be utilized;

(3) That the provision of 6.7% proposed by applicant for general expense produces excessive premiums and, in lieu thereof, a provision of 5.9% shall be utilized together with an expense constant of $124 in lieu of the expense constant of $140 proposed by the applicant;

(4) That the provision of 0.0% proposed by applicant for profit and contingencies produces excessive premiums and, lieu thereof, a provision of -10.619% shall be utilized;

(5) That the proposed Assigned Risk Adjustment Program (ARAP) be, and it is hereby, approved, provided that an offset factor of .988 shall be employed in conjunction therewith;

(6) That the proposed Assigned Risk Rating Program (ARRP) be, and it is hereby, disapproved;

(7) That the proposed premium level increase of 11.9% in the "F" Classification be, and it is hereby, disapproved; and in lieu thereof, there shall be a premium level decrease of 2.9%; and

(8) That, except as hereinabove ordered, the proposed revision of rates, minimum premiums, rules, regulations, and procedures for writing workers' compensation insurance in this Commonwealth which has been filed by the applicant herein on behalf of its members and subscribers should be, and it is hereby, approved for use in this Commonwealth. All of the changes herein approved, which aggregate an increase of 4.1% in the level of premiums, shall be applicable to new and renewal business written to become effective on and after November 1, 1990.

Harwood, Commissioner, did not participate in this proceeding.

CASE NO. INS900283
AUGUST 23, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
THE NORTH RIVER INSURANCE COMPANY,
INTERNATIONAL INSURANCE COMPANY,
AND
UNITED STATES INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

IT APPEARING from a market conduct examination conducted by the Bureau of Insurance that Defendants, all duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, each violated various and certain of the following sections of Title 38.2 of the Code Virginia, to wit: §§ 38.2-231; 38.2-304; 38.2-305; 38.2-317; 38.2-511; 38.2-610; 38.2-1905; 38.2-1906.B.; 38.2-1908; 38.2-2005; 38.2-2014; 38.2-2113; 38.2-2114; 38.2-2120; 38.2-2202; 38.2-2208; 38.2-2210; and 38.2-2212;

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 Defendants committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendants have been advised of their rights to 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 dollars ($12,000), have waived their rights to hearing and have agreed to the entry by the Commission of appropriate cease and desist orders, which offer of settlement the Bureau of Insurance has recommended that the Commission accept 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 matters set forth herein be, and it is hereby, accepted;

(2) That Defendant The North River Insurance Company cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-304; 38.2-610; 38.2-1906.B.; 38.2-2014; 38.2-2208; 38.2-2210; and 38.2-2212;

(3) That Defendant International Insurance Company cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-317; 38.2-610; 38.2-1905; 38.2-1906.B.; 38.2-2014; 38.2-2113; 38.2- 2114; 38.2-2120; 38.2-2208; and 38.2-2212;

(4) That Defendant United States Fire Insurance Company cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-231; 38.2-304; 38.2-305; 38.2-317; 38.2-511; 38.2-1906.B.; 38.2-1908; 38.2-2005; 38.2-2113; 38.2-2114; 38.2-2202; and 38.2-2212; and

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

CASE NO. INS900286
OCTOBER 15, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
GROUP RENTAL INSURANCE PLAN MEDICAL TRUST,
Defendant

JUDGMENT ORDER

WHEREAS, by order entered herein August 13, 1990, Defendant was temporarily enjoined from enrolling any new members in the Commonwealth of Virginia for a period of ninety (90) days and the Defendant was further ordered to appear before the Commission and show cause, if any, why the Commission should not (i) permanently enjoin Defendant from operating a multiple employer health care plan in the Commonwealth of Virginia; (ii) impose a monetary penalty against Defendant, in accordance with Virginia Code § 38.2-218, for operating an unlicensed multiple employer health care plan in the Commonwealth of Virginia; and (iii) require Defendant to make restitution, in accordance with Virginia Code § 38.2-218.D.c., for unpaid health care claims;

WHEREAS, on September 20, 1990, the Commission conducted the aforesaid show cause hearing in its Courtroom where the Bureau of Insurance appeared represented by counsel and the Defendant failed to appear after notice of the proceedings by certified mail and pursuant to Virginia Code § 8.01-329; and

THE COMMISSION, having considered the record herein, is of the opinion that Defendant should be permanently enjoined from operating a multiple employer health care plan in the Commonwealth of Virginia, that Defendant should be penalized a sum of five thousand dollars ($5,000) for operating an unlicensed multiple employer health care plan in the Commonwealth of Virginia, and that Defendant should make restitution in the amount of seventeen thousand seventy-nine dollars and sixty-eight cents ($17,079.68) for failing to pay amounts explicitly required by the terms of Defendant's health care insurance contract;

THEREFORE, IT IS ORDERED:

(1) The Defendant be, and it is hereby, permanently enjoined from operating a multiple employer health care plan in the Commonwealth of Virginia;

(2) That Defendant be, and it is hereby penalized sum of five thousand dollars ($5,000) for operating an unlicensed multiple employer health care plan in the Commonwealth of Virginia, which sum Defendant shall forthwith pay to the Clerk of the Commission; and

(3) That Defendant make restitution in the amount of seventeen thousand seventy-nine dollars and sixty-eight cents ($17,079.68) to Staunton Manor Nursing Home for failing to pay amounts explicitly required by the terms of Defendant's health care insurance contract.

CASE NO. INS900287
OCTOBER 15, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
T. P. A., INC.,
Defendant

JUDGMENT ORDER

WHEREAS, by order entered herein August 13, 1990, Defendant was temporarily enjoined from enrolling any new members for Group Rental Insurance Plan Medical Trust in the Commonwealth of Virginia for a period of ninety (90) days and Defendant was further ordered to appear before the Commission and show cause, if any, why the Commission should not (i) permanently enjoin Defendant from acting as a third party administrator in the Commonwealth of Virginia; and (ii) impose a monetary penalty against Defendant, in accordance with Virginia Code § 38.2-218, for acting as a third party administrator in the Commonwealth of Virginia without first obtaining approval from the Commission;

WHEREAS, on September 20, 1990, the Commission conducted the aforesaid show cause hearing in its Courtroom where the Bureau of Insurance appeared represented by counsel and the Defendant failed to appear after notice of the proceedings by certified mail and pursuant to Virginia Code § 8.01-329; and

THE COMMISSION, having considered the record herein, is of the opinion that Defendant should be permanently enjoined from acting as a third party administrator in the Commonwealth of Virginia and that Defendant should be penalized a sum of five thousand dollars ($5,000) for acting as a third party administrator in the Commonwealth of Virginia without first obtaining approval from the Commission.

THEREFORE, IT IS ORDERED:

(1) That Defendant be, and it is hereby, permanently enjoined from acting as a third party administrator in the Commonwealth of Virginia; and

(2) That Defendant be, and it is hereby, penalized a sum of five thousand dollars ($5,000) for acting as a third party administrator in the Commonwealth of Virginia without first obtaining approval from the Commission, which sum Defendant shall forthwith pay to the Clerk of the Commission.

CASE NO. INS900288
OCTOBER 2, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of adopting Rules Governing Minimum Standards for Medicare Supplement Policies

ORDER ADOPTING REGULATION

WHEREAS, pursuant to an order entered herein September 12, 1990, the Commission conducted a hearing on September 25, 1990, for the express purpose of hearing the Virginia Association of Life Underwriters ("VALU") objection to Section 13 of the regulation proposed by the Bureau of Insurance entitled "Rules Governing Minimum Standards for Medicare Supplement Policies";

WHEREAS, VALU appeared at the aforesaid hearing represented by counsel and objected to the inclusion of Section 13 in the regulation on three grounds: (i) that the regulation attacked the concept of free enterprise; (ii) that the regulation results in a less informed consumer; and (iii) that sufficient protections exist or are proposed so that arbitrary commission restrictions are not necessary;

WHEREAS, the Bureau of Insurance appeared represented by counsel and argued that the amendments to the regulation proposed by the Bureau are necessary to bring the regulation into compliance with federal requirements under the Medicare Catastrophic Coverage Repeal Act, and that failure to adopt the regulation would subject medicare supplement policies approved by the Bureau to loss of certification by the Secretary of Health and Human Services and would subject Virginia to the Federal Voluntary Certification Program; and

THE COMMISSION, having considered the record herein and the law applicable hereto, is of the opinion and finds that the regulation proposed by the Bureau of Insurance should be adopted;

THEREFORE, IT IS ORDERED that the regulation entitled "Rules Governing Minimum Standards for Medicare Supplement Policies," which is attached hereto and made a part hereof, should be, and it is hereby, ADOPTED to be effective December 1, 1990.

NOTE: A copy of the Rules Governing Minimum Standards for Medicare Supplement Policies is on file and may be examined at the State Corporation Commission, Document Control Center, Floor B-1, Jefferson Building, Bank and Governor Streets, Richmond, Virginia.

CASE NO. INS900291
AUGUST 15, 1990

COMMONWEALTH OF VIRGINIA
at the relation of the
STATE CORPORATION COMMISSION
v.
LIFE ASSURANCE COMPANY OF PENNSYLVANIA,
Defendant

IMPAIRMENT ORDER

WHEREAS, Life Assurance Company of Pennsylvania (LACOP), a foreign insurer domiciled in the State of Pennsylvania and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, is required by law to maintain capital and surplus of, respectively, $200,000 and $100,000; and

WHEREAS, based on adjustments by the Bureau of Insurance to LACOP's Quarterly Statement as of March 31, 1990, pursuant to Virginia Code § 38.2-1316 concerning credits taken for reinsurance, the surplus of LACOP is impaired in the amount of $19,700,255.

IT IS ORDERED that, on or before October 12, 1990, LACOP correct the impairment in its surplus and restore the same to at least the amount required by Virginia law and advise the Commission of the accomplishment thereof by affidavit of its President or other authorized officer;

IT IS FURTHER ORDERED that, during the pendency of the impairment of LACOP's surplus and until further order of the Commission, LACOP shall not transact any new insurance business in the Commonwealth of Virginia;

CASE NO. INS900291
OCTOBER 16, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
LIFE ASSURANCE COMPANY OF PENNSYLVANIA,
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 August 15, 1990, Defendant was ordered to eliminate the impairment in its surplus and restore the same to at least $100,000 and advise the Commission of the accomplishment thereof by affidavit of Defendant's president or other authorized officer on or before October 12, 1990 and

WHEREAS, as of the date of this order Defendant has failed to eliminate the impairment in its surplus,

IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to October 30, 1990, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before October 30, 1990, 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. INS900291
OCTOBER 31, 1990

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

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein October 16, 1990, Defendant was ordered to take notice that the Commission would enter an order subsequent to October 30, 1990, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before October 30, 1990, Defendant filed with the Clerk of the Commission a request for a hearing before the Commission with respect to 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 section 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 section 38.2-1043.

CASE NO. INS900298
OCTOBER 3, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
JOEL C. WILLIAMS,
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 § 38.2-1805.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 38.2-1831 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 20, 1990 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 § 38.2-1805.A by accepting payment of premiums in arrears on policies of life insurance or accident and sickness insurance which had lapsed;

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. INS900300
AUGUST 23, 1990

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

IMPAIRMENT ORDER

WHEREAS, United Liberty Life Insurance Company (ULLIC), a foreign insurer domiciled in the State of Ohio and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, is required by law to maintain capital of $1,000,000 and surplus of $1,000,000;

WHEREAS, based on the Quarterly Statement of ULLIC as of June 30, 1990, filed with the Bureau, the surplus of ULLIC is impaired in the amount of $760,779,

IT IS ORDERED that, on or before October 22, 1990, ULLI Ccorrect the impairment in its surplus and restore the same to at least the amount required by Virginia law and advise the Commission of the accomplishment thereof by affidavit of its President or other authorized officer;

IT IS FURTHER ORDERED that, during the pendency of the impairment of ULLIC's surplus and until further order of the Commission, ULLIC shall not transact any new insurance business in the Commonwealth of Virginia;

CASE NO. INS900300
NOVEMBER 19, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
UNITED LIBERTY 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 August 23, 1990, Defendant was ordered to correct the impairment in its surplus and restore the same to at least the minimum amount required by Virginia law, $1,000,000;

WHEREAS, by affidavit of Defendant's president and supporting financial statements, the Commission was advised that Defendant had restored its surplus to $1,244,668;

WHEREAS, the Bureau of Insurance has reviewed the financial statements supporting Defendant's affidavit and has nonadmitted a note receivable of questionable value, which results in a surplus of ($616,332); and

WHEREAS, as of the date of this order, Defendant has failed to correct the impairment in its surplus;

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to November 29, 1990, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before November 29, 1990, Defendant files with the Clerk of the Commission, Document Control Center, Post Office 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. INS900307
AUGUST 31, 1990

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

IMPAIRMENT ORDER

WHEREAS, Cimarron Insurance Company (CIC), a foreign insurer domiciled in the State of Kansas and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, is required by law to maintain minimum capital of $1,000,000 and minimum surplus of $1,000,000;

WHEREAS, based on the Quarterly Statement of CIC as of June 30, 1990, filed with the Bureau of Insurance, the surplus of CIC is impaired in the amount of $1,454,536,

IT IS ORDERED that, on or before October 26, 1990, CIC correct 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 its President or other authorized officer;

IT IS FURTHER ORDERED that, during the pendency of the impairment of CIC's surplus and until further order of the Commission, CIC shall not transact any new business in the Commonwealth of Virginia;

CASE NO. INS900307
OCTOBER 24, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
At the relation of the
STATE CORPORATION COMMISSION
v.
CIMARRON INSURANCE COMPANY, INC.,
Defendant

FINAL ORDER

WHEREAS, by order entered herein August 31, 1990, Defendant was ordered to make good an impairment in its surplus and restore the same to at least the minimum amount required by Virginia law and to issue no new contracts or policies of insurance in the Commonwealth of Virginia during the existence of such impairment and until further order of the Commission; and

WHEREAS, by affidavit of Defendant's Senior Vice President, the Commission has been advised that Defendant was restored its surplus to at least the minimum amount require by Virginia law, $1,000,000;

THEREFORE, IT IS ORDERED:

(1) That the provision in the order of August 31, 1990, enjoining Defendant from issuing any new contracts or policies of insurance in the Commonwealth of Virginia during the existence of the aforesaid impairment in Defendant's surplus be, and it is hereby, VACATED; and

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

CASE NO. INS900311
SEPTEMBER 7, 1990

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

IMPAIRMENT ORDER

WHEREAS, Physicians Health Plan, Inc., ("PHP") a domestic corporation licensed by the Commission to transact the business of a health maintenance organization in the Commonwealth of Virginia, is required by regulation adopted by the Commission in Case No. INS850209 to have a net worth that is at least equal to the sum of all uncovered expenses as defined in subsection 7.H of the regulation for the last three months reported on; however, in no case shall a health maintenance organization be required to maintain a minimum net worth in excess of $2,000,000: and

WHEREAS, based on PHP's Quarterly Financial Statement as of June 30, 1990, filed with the Bureau of Insurance, PHP had uncovered expenses for the last three months reported on totaling $1,124,217 and a reported net worth of $115,027, resulting in an impairment of its net worth of $1,009,190;

THEREFORE, IT IS ORDERED:

(1) That, on or before October 10, 1990, Defendant eliminate the impairment in its net worth and restore the same to at least the amount required by law and advise the Commission of the accomplishment thereof by affidavit of Defendant's president or other authorized officer: and

(2) That Defendant shall issue no new group contracts while the impairment of Defendant's net worth exists and until further order of the Commission.

CASE NO. INS900311
OCTOBER 31, 1990

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

FINAL ORDER

WHEREAS, by order entered herein September 7, 1990, Defendant was ordered to eliminate the impairment in its net worth and restore the same to at least the amount required by law and to issue no new group contracts in the Commonwealth of Virginia during the existence of such impairment until further order of the Commission; and

WHEREAS, by affidavit of Defendant's President, the Commission has been advised that Defendant has restored its net worth to at least the minimum amount required by Virginia law;

THEREFORE, IT IS ORDERED:

(1) That the provision in the order of September 7, 1990, enjoining Defendant from issuing any new group contracts during the existence of the aforesaid impairment in Defendant's net worth be, and it is hereby, VACATED; and

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

CASE NO. INS900315
SEPTEMBER 21, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
PATRICK J. MULDOON,
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 account for or remit funds to a certain insurance company 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 July 23, 1990 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 account for or remit funds to a certain insurance company 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. INS900317
SEPTEMBER 19, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
UNITED EQUITABLE INSURANCE COMPANY,
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 order entered in the Circuit Court of Cook County, Illinois, Chancery Division on August 8, 1990, Defendant was found to be in such condition that the further transaction of business would be hazardous to its policyholders, creditors and to the public and the Director of Insurance of the State of Illinois was appointed the Rehabilitator of Defendant; and

WHEREAS by letter dated August 23, 1990, the Rehabilitator concurred and agreed to the Bureau of Insurance's request that Defendant consent to a 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. INS900318
SEPTEMBER 19, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
UNITED EQUITABLE LIFE INSURANCE COMPANY,
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 order entered in the Circuit Court of Cook County, Illinois, Chancery Division on August 8, 1990, Defendant was found to be in such condition that the further transaction of business would be hazardous to its policyholders, creditors and to the public and the Director of Insurance of the State of Illinois was appointed the Rehabilitator of Defendant; and

WHEREAS by letter dated August 23, 1990, the Rehabilitator concurred and agreed to the Bureau of Insurance's request that Defendant consent to a 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. INS900319
SEPTEMBER 27, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
GEORGE WASHINGTON 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; and

WHEREAS, based on Defendant's June 30, 1990 Quarterly Statement, after certain adjustments were made by the Bureau of Insurance, Defendant's liabilities exceed its assets by $707,638;

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to October 11, 1990, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before October 11, 1990, 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. INS900319
DECEMBER 13, 1990

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

ORDER SUSPENDING LICENSE

WHEREAS, by order entered herein October 24, 1990, Defendant was ordered to appear in the Commission's Courtroom at 10:00 a.m. on December 13, 1990, 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;

WHEREAS, on December 13, 1990, the Commission conducted the aforesaid show cause hearing in its Courtroom where the Bureau of Insurance appeared represented by counsel and the Defendant failed to appear after notice of the proceedings by certified mail; and

THE COMMISSION, having considered the record herein, is of the opinion that Defendant's license to transact the business of insurance in the Commonwealth of Virginia should be suspended;

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. INS900325
NOVEMBER 8, 1990

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

SETTLEMENT ORDER

IT APPEARING from an examination conducted by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of an insurance premium finance company in the Commonwealth of Virginia, in certain instances, may have violated Subsections 2.7, 3.3, 4.3, 7.2, 7.3 and 7.4 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 38.2-4704 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 law and solely for the purpose of settlement, 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 settlement 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 shall comply with Subsection 3.3 of the Commission's Rules Governing Insurance Premium Finance Companies as soon as reasonably practicable, but in no event later than April 1, 1991; and

(3) That, except as provided in paragraph (2) above, Defendant cease and desist from any conduct which constitutes a violation of Subsections 2.7, 3.3, 4.3, 7.2, 7.3 and 7.4 of the Commission's Rules Governing Insurance Premium Finance Companies;

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

CASE NO. INS900336
NOVEMBER 19, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
ALLSTATE INSURANCE COMPANY
ALLSTATE INDEMNITY COMPANY and
NORTHBROOK PROPERTY AND 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 Virginia Code §§ 38.2-1906.B, 38.2-2113.A.1.b, 38.2-2113.A.3, 38.2-2113.C, 38.2-2114.A, 38.2-2114.C.1, 38.2-2202, 38.2-2212.D, 38.2-2212.E.2, 38.2-2212.E.4, 38.2-2212.E.5, 38.2-2212.F.1, 38.2-305.B, 38.2-2208.A.1.b, 38.2-2208.A.3, 38.2-2210.A and 38.2-231;

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, without admitting any violation of law and solely for settlement purposes, wherein Defendants have tendered to the Commonwealth of Virginia the sum of twenty thousand dollars ($20,000), 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 Defendants cease and desist from any conduct as set forth in Defendant's settlement offer which constitutes a violation of Virginia Code §§ 38.2-1906.B, 38.2-2113.A.1.b, 38.2-2113.A.3, 38.2-2113.C, 38.2-2114.A, 38.2-2114.C.1, 38.2-2202, 38.2-2212.D, 38.2-2212.E.2, 38.2-2212.E.4, 38.2-2212.E.5, 38.2-2212.F.1, 38.2-305.B, 38.2-2208.A.1.b, 38.2-2208.A.3, 38.2-2210.A, or 38.2-231; and

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

CASE NO. INS900338
OCTOBER 10, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
CHARLES THOMAS MARSHALL,
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 account for or remit when due premiums collected on behalf of certain insurers;

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 14, 1990 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 account for or remit when due premiums collected on behalf of certain insurers;

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. INS900340
NOVEMBER 19, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
KEVIN S. DEADRICK,
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 § 38.2-512 by making false or fraudulent statements or representations on or relative to an application for an insurance policy for the purposes of obtaining a fee, commission, money 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 October 10, 1990 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 communi-cated 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, money, 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 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. INS900342
NOVEMBER 6, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
HARTFORD INSURANCE COMPANY OF THE MIDWEST,
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 §§ 38.2-304, 38.2-317, 38.2-508, 38.2-610, 38.2-1906.B, 38.2-2113, 38.2-2114, 38.2-2201, 38.2-2202.A, 38.2-2206, 38.2-2208, 38.2-210, 38.2-2212, 38.2-2220 and the Commission's Rules Governing Standards for the Content of Fire Insurance or Fire Insurance in Combination with Other Coverages;

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 twenty thousand dollars ($20,000), 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 §§ 38.2-304, 38.2-317, 38.2-508, 38.2-610, 38.2-1906.B, 38.2-2113, 38.2-2114, 38.2-2201, 38.2-2202.A, 38.2-2206, 38.2-2208, 38.2-210, 38.2-2212, 38.2-2220, or the Commission's Rules Governing Standards for the Content of Fire Insurance or Fire Insurance in Combination with Other Coverages; and

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

CASE NO. INS900344
NOVEMBER 21, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
RICHARD E. CORBETT, JR.,
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 § 38.2-512 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, money, or other benefit from an insurer, agent, broker, or other individual;

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 October 18, 1990 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, money, or other benefit from an insurer, agent, broker, or other individual;

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. INS900345
NOVEMBER 21, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
PATRICK M. CORBETT,
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 § 38.2-512 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, money, or other benefit from an insurer, agent, broker or other individual;

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 October 18, 1990 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, money, or other benefit from an insurer, agent, broker, or other individual;

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. INS900350
NOVEMBER 15, 1990

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination 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 §§ 38.2-502.1, 38.2-510.14, 38.2-511, 38.2-604, 38.2-606.7.b.1, 38.2-606.8, 38.2-1822.A, 38.2-1833.A.1, 38.2-4301.C, 38.2-4306.A.2, 38.2-4306.B.1, 38.2-4308.A and 38.2-4308.B as well as 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 seven thousand dollars ($7,000) 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. INS900353
OCTOBER 25, 1990

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

IMPAIRMENT ORDER

WHEREAS, Mutual Security Life Insurance Company, a foreign corporation domiciled in the State of Indiana and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, is required to maintain minimum capital of $1,000,000 and minimum surplus of $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, Defendant's Quarterly Statement as of June 30, 1990, filed with the Commission's Bureau of Insurance, reflects surplus of ($1,094,732);

THEREFORE, IT IS ORDERED that, on or before December 31, 1990, 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. INS900354
DECEMBER 14, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
FIRST CLASS HEALTH PLAN,
Defendant

JUDGMENT ORDER

WHEREAS, by order entered herein November 19, 1990, Defendant was temporarily enjoined from enrolling any new members in the Commonwealth of Virginia for a period of ninety (90) days and the Defendant was further ordered to appear before the Commission and show cause, if any, why the Commission should not (i) permanently enjoin Defendant from operating a multiple employer health care plan in the Commonwealth of Virginia; (ii) impose a monetary penalty against Defendant, in accordance with Virginia Code § 38.2-218, for operating an unlicensed multiple employer health care plan in the Commonwealth of Virginia; and (iii) require Defendant to make restitution, in accordance with the Virginia Code § 38.2-218.D.c., for unpaid health care claims;

WHEREAS, on December 12, 1990, the Commission conducted the aforesaid show cause hearing in its Courtroom where the Bureau of Insurance appeared represented by counsel and the Defendant failed to appear after notice of the proceedings by certified mail and pursuant to Virginia Code §§ 8.01-329 and 38.2-801; and

THE COMMISSION, having considered the record herein, is of the opinion that Defendant should be permanently enjoined from operating a multiple employer health care plan in the Commonwealth of Virginia, that Defendant should be penalized a sum of five thousand dollars ($5,000) for operating an unlicensed multiple employer health care plan in the Commonwealth of Virginia, and that Defendant should make restitution in the amount of five hundred twenty-four dollars and fifty-five cents ($524.55) and such other amount that the Commission may determine in the future is owed to residents of the Commonwealth of Virginia for Defendant's failure to pay amounts explicitly required by the terms of Defendant's health care insurance contract;

THEREFORE, IT IS ORDERED:

(1) That Defendant be, and it is hereby, permanently enjoined from operating a multiple employer health care plan in the Commonwealth of Virginia; and

(2) That Defendant be, and it is hereby, penalized a sum of five thousand dollars ($5,000) for operating an unlicensed multiple employer health care plan in the Commonwealth of Virginia, which sum Defendant shall forthwith pay to the Clerk of the Commission and;

(3) That Defendant make restitution in the amount of five hundred twenty-four dollars and fifty-five cents ($524.55) to Riverbend Construction, Inc., and such other amount the Commission may determine in the future is owed to residents of the Commonwealth of Virginia for Defendant's failure to pay amounts explicitly required by the terms of Defendant's health care insurance contract.

CASE NO. INS900364
DECEMBER 14, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
EMPIRE BENEFIT PLANS, INC.,
Defendant

JUDGMENT ORDER

WHEREAS, by order entered herein November 19, 1990, Defendant was temporarily enjoined from enrolling any new members for First Class Health Plan in the Commonwealth of Virginia for a period of ninety (90) days and Defendant was further ordered to appear before the Commission and show cause, if any, why the Commission should not (i) permanently enjoin Defendant from acting as a third party administrator in the Commonwealth of Virginia; and (ii) impose a monetary penalty against Defendant, in accordance with Virginia Code § 38.2-218, for acting as a third party administrator in the Commonwealth of Virginia without first obtaining approval from the Commission;

WHEREAS, on December 12, 1990, the Commission conducted the aforesaid show cause hearing in its Courtroom where the Bureau of Insurance appeared represented by counsel and the Defendant failed to appear after notice of the proceedings by certified mail and pursuant to Virginia Code § 8.01-329; and

THE COMMISSION, having considered the record herein, is of the opinion that Defendant should be permanently enjoined from acting as a third party administrator in the Commonwealth of Virginia and that Defendant should be penalized a sum of five thousand dollars ($5,000) for acting as a third party administrator in the Commonwealth of Virginia without first obtaining approval from the Commission;

THEREFORE, IT IS ORDERED:

(1) That Defendant be, and it is hereby, permanently enjoined from acting as a third party administrator in the Commonwealth of Virginia; and

(2) That Defendant be, and it is hereby, penalized a sum of five thousand dollars ($5,000) for acting as a third party administrator in the Commonwealth of Virginia without first obtaining approval from the Commission, which sum Defendant shall forthwith pay to the Clerk of the Commission.

CASE NO. INS900366
DECEMBER 18, 1990

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

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of a health maintenance organization in the Commonwealth of Virginia, in a certain instance, violated Section 7(A) of the Commission's Rules Governing Health Maintenance Organizations by failing to file timely with the Bureau of Insurance Defendant's second quarter financial report;

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 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 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. INS900370
NOVEMBER 29, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
EDISON INSURANCE COMPANY,
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 the public in this Commonwealth; and

WHEREAS, Defendant has voluntarily consented to the suspension of its 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 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. INS900390
DECEMBER 14, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
MID - AMERICA LIFE ASSURANCE 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 has been found insolvent by a court of any other state, or by the Commissioner or other proper officer or agency of any other state, and has been prohibited from doing business in that state; 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 revoked;

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to December 26, 1990, revoking the license of Defendant to transact the business of insurance in the Commonwealth of Virginia, unless on or before December 26, 1990, 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.

MOTOR CARRIER DIVISION - AUDITS

CASE NO. MCA880089
MAY 7, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
TRI - STATE MOTOR TRANSIT COMPANY,
Defendant

ORDER OF COMPROMISE AND SETTLEMENT

IT APPEARING to the Commission that a final judgment was entered on August 18, 1989, ordering the Defendant to pay to the Commonwealth of Virginia $24,926.23 for motor fuel road tax interest, and penalty for the audit period January 1, 1985 through March 31, 1988, and to provide certain odometer or hubometer readings. The Defendant paid the directed amount in full and appealed the Final Judgement Order.

IT FURTHER APPEARING that during the pendency of the appeal, the Commission and the Defendant came to an agreement of compromise whereby:

(1) The Commission will rescind its order of August 18, 1989;

(2) $12,000 of the amount paid by Tri-State under the Order of August 18, 1989, will be refunded to the Defendant plus interest from the date of payment, with the remainder of said payment being in compromise and settlement of the Defendant's motor fuel road tax owed for the audit period January 1, 1985 through March 31, 1988;

(3) The Commission will accept Tri-State's present computer based system of calculating, recording and reporting of total and Virginia mileages for motor fuel purposes as being in compliance with the relevant requirements of law;

(4) The Commission reserves the right to identify mileage errors in the Defendant's computer-based system and require appropriate adjustments in motor fuel road tax payments;

(5) The Defendant, as other motor carriers, will be bound by the future issuance of rules and regulations governing the reporting and payment of motor fuel road tax. The Staff is not aware of any proposed regulation which would conflict with the agreement of the parties; accordingly,

IT IS ORDERED:

(1) That the agreement of compromise as set forth above be, and the same is hereby accepted; and

(2) That the Comptroller of the Commonwealth of Virginia refund to the Defendant $12,000 plus interest from the time of payment, as described above, said amount is to be paid from the highway maintenance and construction fund.

CASE NO. MCA890022
JANUARY 23, 1990

IN THE MATTER OF
DEDICATED FLEET, INC.
P.O. Box 7005
Camden, South Carolina 29020,
Defendant

JUDGMENT OF COMPROMISE AND SETTLEMENT

WHEREAS, it appears to the State Corporation Commission that an audit of the records of Dedicated Fleet, Inc. ("Dedicated"), for the period of January 1, 1985 through March 31, 1988 reflects a total of $41,506.34 due the Commonwealth for motor fuel road tax, interest and a $500 penalty under § 58.1-2700 et seq. of the Code of Virginia (1950); and

WHEREAS, this assessment represents disallowance of certain fuel purchase credits; and

WHEREAS, Dedicated has now submitted secondary evidence capable of substantiating much of these credits; and

WHEREAS, Dedicated has offered to compromise and settle its motor fuel tax liability be remitting $16,000 to the Commonwealth and the Commission's Staff has recommended that this offer of settlement be accepted; and

THE COMMISSION, upon consideration of Dedicated's offer of settlement, is of the opinion and finds that the offer is fair and reasonable under the circumstances and should be accepted as authorized by Virginia Code § 12.1-15; accordingly,

IT IS ORDERED:

(1) That the offer of Dedicated to compromise and settle its motor fuel road tax liability for $16,000 be, and the same is hereby, accepted.

CASE NO. MCA890033
MARCH 15, 1990

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
v.
CENTRAL TRANSPORT, INC.

JUDGMENT OF COMPROMISE AND SETTLEMENT

Whereas, it appears to the State Corporation Commission that a rule to show cause was issued against the Defendant for an alleged underpayment of motor fuel road taxes in the amount of $81,830.94 under § 58.1-2700 et seq. of the Code of Virginia (1950).

Whereas, Central Transport, Inc. has offered to compromise and settle its motor fuel road tax by remitting $60,000 to the Commonwealth and has agreed to comply fully with the record keeping instructions as set forth in Attachment A of this Order, and Staff has recommended that this offer of settlement be accepted;

The Commission, upon consideration of the Defendant's offer of settlement, is of the opinion and finds that the offer is fair and reasonable under the circumstances and should be accepted as authorized by Va. Code § 12.1-15; Accordingly,

IT IS ORDERED:

(1) That the offer of Central Transport, Inc. to compromise and settle its motor fuel road tax liability for underpayment through December 31, 1989 for $60,000, be and the same is hereby accepted;

(2) That the Defendant maintain its record and bookkeeping procedures in full compliance with the instructions contained in Attachment A of this order.

NOTE: A copy of the record keeping instructions referred to herein is on file and may be examined at the State Corporation Commission, Document Control Center, Floor B-1, Jefferson Building, Bank and Governor Streets, Richmond, Virginia.

CASE NO. MCA890034
JANUARY 23, 1990

IN THE MATTER OF
ROGERS TRUCKING COMPANY
Greensburg Road
P.O. Box 271
Columbia, Kentucky 42728,
Defendant

ORDER OF REVOCATION

WHEREAS, it appears to the Commission that by a judgment of compromise and settlement entered on May 3, 1989, Rogers Trucking Company was to pay to the Commission $1,000 per week for 22 weeks, and a final payment of $1,944.58 due on September 29, 1989. If any payment was not received within 10 days of its due date, the Settlement Order of May 3, 1989, was to become a nullity and any authority was to be revoked; and

WHEREAS, it further appears to the Commission that Rogers Trucking Company has failed to discharge the judgment by making the agreed upon payments within the time period as prescribed within the aforesaid Judgment of Compromise and Settlement;

THE COMMISSION is of the opinion that the terms of the Judgment of Compromise and Settlement have not been complied with; accordingly,

IT IS ORDERED:

(1) That any and all authority held by Rogers Trucking Company be, and the same is hereby, revoked, all registration cards, identification markers, stamps, warrants, exemption cards and decals issued by the Commission to Rogers Trucking for vehicles owned and operated by it shall be null and void and shall be surrendered for cancellation;

(2) That no authority be hereafter issued by the Commission for the operation by Rogers Trucking Company of any motor vehicle until the remainder of the Judgment is fully satisfied.

CASE NO. MCA900008
MARCH 19, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
FLEMING, JAMES HERSHELL
c/o Business Accounting Services
Post Office Box 879
Pound, Virginia 24279,
Defendant

FINAL SETTLEMENT JUDGMENT ORDER

The Defendant herein having indicated a desire not to contest the Rule to Show Cause heretofore directed against him, but rather to settle this case by payment of $16,835.88 in serial payments; and the Commission's Staff offering no objections thereto; accordingly

IT IS ORDERED:

(1) Defendant is to pay $3,367.18 on or before April 25, 1990 and on each successive month hereafter a payment of $1,346.87 will be due until the full $16,835.88 is paid;

(2) Should the Defendant fail to remit any payment, as described above, any and all certificates or permits of authority he holds from this Commission shall be revoked.

CASE NO. MCA900015
MAY 21, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
DITTRICH OF MINNESOTA, INC.
1000 North Front Street
New Ulm, Minnesota 56073

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant having come for hearing on May 14, 1990, and the Commission having found the Defendant to be in violation of the law as alleged; Accordingly,

IT IS ORDERED:

(1) That the Defendant pay to the Commonwealth a penalty in the sum of $500;

(2) That judgment in the amount of $131,100.41 be, and the same is hereby, entered against the Defendant for additional motor fuel road taxes, penalties and interest;

(3) That unless the Defendant satisfies the penalty and judgment set forth in (1) and (2) above prior to June 21, 1990, all registration cards, identification markers, stamps, warrants, exemption cards and decals issued by the Commission to the Defendant for motor vehicles owned or operated by the Defendant shall become 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. MCA900015
JUNE 4, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
DITTRICH OF MINNESOTA, INC.
100 North Front Street
New Ulm, Minnesota 56073

VACATING ORDER

IT APPEARING to the State Corporation Commission that by Final Judgment Order dated May 21, 1990 the Defendant was ordered to pay $131,100.41 and assessed a penalty of $500.00;

IT FURTHER APPEARING that the Commission's Motor Carrier Division has filed a report requesting the Final Judgment Order be vacated as erroneous and the case be reset for hearing; and

THE COMMISSION, upon consideration of said report, is of the opinion that the Final Judgment Order was issued erroneously and should be vacated; accordingly,

IT IS ORDERED:

(1) That the Final Judgment Order issued in this case on May 21, 1990 be, and the same is hereby, vacated;

(2) That the Rule to Show Cause entered against the Defendant be heard on July 16, 1990.

CASE NO. MCA900025
MAY 21, 1990

IN THE MATTER OF
CONSOLIDATED FREIGHTWAYS CORP. OF DELAWARE
P.O. Box 4121
Portland, Oregon 97208,
Defendant

ORDER OF COMPROMISE AND SETTLEMENT

A report having been filed by the State Corporation Commission's Motor Carrier Division (Audits) stating that an audit of Consolidated Freightways Corp. of Delaware's records for the period January 1, 1986 through March 31, 1989 indicated additional motor fuel road tax due the Commonwealth in the amount of $130,564.14; and

IT FURTHER APPEARING that Consolidated Freightways Corp. of Delaware has not maintained sufficient records necessary to arrive at verifiable figures for audit as requested by the audit staff; and

Consolidated Freightways Corp. of Delaware having offered to settle and compromise this matter by paying $40.000 in additional motor fuel road taxes for the period in question and agreeing to maintain future records in a manner acceptable to the audit staff: Specifically, the overall system miles will be verified by actual hubometers readings recorded on a monthly basis for all operations touching Virginia originating from. or returning to the consolidatation centers located in Emigsville, Pennsylvania and Charlotte, North Carolina; therefore,

THE COMMISSION, upon consideration of Consolidated Freightways Corp. of Delaware's offer of compromise and settlement. is of the opinion and finds that the offer is fair and reasonable under the circumstances and should be accepted as authorized by § 12.1-15 of the Code of Virginia; Accordingly,

IT IS ORDERED:

(1) That the offer of Consolidated Freightways Corp. of Delaware to compromise and settle its motor fuel road tax liability for $40.000 be, and the same is hereby, accepted;

(2) That Consolidated Freightways Corp. of Delaware maintain its records in full compliance with the instructions of the Audit Division and specifically verify system miles as set forth above.

CASE NO. MCA900025
JUNE 19, 1990

IN THE MATTER OF
CONSOLIDATED FREIGHTWAYS CORP. OF DELAWARE
P.O. Box 4121
Portland, Oregon 97208,
Defendant

AMENDING ORDER

IT APPEARING that an order of compromise and settlement was entered in this matter on May 21, 1990 and that the Staff, as well as Consolidated Freightways Corp. of Delaware, has requested that the Order be amended.

UPON CONSIDERATION WHEREOF, the Commission being of the opinion that the request should be granted, it is

ORDERED that the Order of Compromise and Settlement be, and it is hereby amended to read as follows:

A report having been filed by the State Corporation Commission's Motor Carrier Division (Audits) stating that an audit of Consolidated Freightways Corp. of Delaware's records for the period January 1, 1986 through March 31, 1989 indicated additional motor fuel road tax due the Commonwealth in the amount of $130,564.14; and

IT FURTHER APPEARING that Consolidated Freightways Corp. of Delaware has not maintained sufficient records necessary to arrive at verifiable figures for audit as requested by the audit staff; and

Consolidated Freightways Corp. of Delaware having offered to settle and compromise this matter by paying $40,000 in additional motor fuel road taxes for the period in question and agreeing to maintain future records in a manner acceptable to the audit staff. Specifically, the overall system miles will be verified by actual hubometers readings recorded on a monthly basis for all operations touching Virginia originating from, or returning to the consolidatation centers located in Emigsville, Pennsylvania and Charlotte, North Carolina, which involve vehicles housed in Virginia and equipped with hubometers; therefore,

THE COMMISSION, upon consideration of Consolidated Freightways Corp. of Delaware's offer of compromise and settlement, is of the opinion and finds that the offer is fair and reasonable under the circumstances and should be accepted as authorized by § 12.1-15 of the Code of Virginia; Accordingly,

IT IS ORDERED:

(1) That the offer of Consolidated Freightways Corp. of Delaware to compromise and settle its motor fuel road tax liability for $40,000 be, and the same is hereby, accepted;

(2) That Consolidated Freightways Corp. of Delaware maintain its records in full compliance with the instructions of the Audit Division and specifically verify system miles as set forth above.

CASE NO. MCA900027
JULY 19, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
GRIFFIN INC.
d/b/a Southern Trading & Shipping
112 South Irving Heights
Irving, Texas 75060,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant having come on for hearing on July 16, 1990, 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 $500;

(2) That judgment in the amount of $7,094.59 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 (1) and (2) above prior to August 17, 1990, 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. MCA900033
JUNE 22, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CARPET TRANSPORT, INC.
495 Lovers Lane Road, S.E.
P.O. Box 7
Calhoun, Georgia 30701,
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 motor fuel road taxes, and interest, and the Commission's Staff offering no objection thereto; accordingly,

IT IS ORDERED that the Defendant pay the Commonwealth the sum of $24,336.64, which amount having been paid, the case is ordered removed from the docket.

CASE NO. MCA900040
JULY 19, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
REEVES TRANSPORTATION CO.
1300 Dews Pond Road, N.E.
P.O. Box 12099
Calhoun, Georgia 30701,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant having come on for hearing on July 16, 1990, 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 $500;

(2) That judgment in the amount of $11,433.77 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 (1) and (2) above prior to August 17, 1990, 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. MCA900061
NOVEMBER 26, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
HOWARD TRANSPORTATION, INC.
3225 Pendorff Road
Post Office Box 586
Laurel, MS 39440,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant having come on for hearing on November 19, 1990, 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 five hundred dollars ($500);

(2) That judgment in the amount of thirty-five thousand four hundred-seventy one dollars and forty-one cents ($35,471.41) be, and 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 (1) and (2) above prior to December 19, 1990, 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. MCA900074
SEPTEMBER 25, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
PORT EAST TRANSFER, INC.
1801 South Clinton Street
Baltimore, Maryland 21224,
Defendant

FINAL SETTLEMENT JUDGMENT ORDER

The Defendant herein having indicated a desire not to contest the rule to show cause, but rather to compromise and settle the matter by the payment of $69,984.39 in additional motor fuel road taxes for the period in question. The payment is to be paid in three equal payments of $15,000 each with a final fourth payment of $24,984.39. Said payments are to be made on the 10th of each month, the 1st of which has already been received by the Commission's Staff. It is further agreed that if any payment is not received within 10 days of its due date, all authority issued by the Commission shall become null and void and shall be surrendered for cancellation; and

THE COMMISSION, upon consideration of the Defendant's offer of compromise and settlement, is of the opinion and finds that the offer is fair and reasonable under the circumstances and should be accepted as authorized by § 12.1-15 of the Code of Virginia. Accordingly,

IT IS ORDERED:

(1) That the offer of the Defendant to compromise and settle its motor fuel road tax liability for $69,984.39, as set forth above be, and the same is hereby, accepted.

CASE NO. MCA900076
SEPTEMBER 12, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
DESIGN TIME, INC.
21608 Protecta Drive
P.O. Box 2027
Elkhart, Indiana 46515,
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 $6082.70, which amount having been paid, the case is ordered removed from the docket.

CASE NO. MCA900083
OCTOBER 18, 1990

COMMONWEALTH OF VIRGINIA ex rel.
STATE CORPORATION COMMISSION
v.
MERCHANTS TRUCK LINES
125 Snyder Street
P.O. Box 908
New Albany, MS 38652,
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 in the amount of $9,000, and the Commission's Staff offering no objection thereto; accordingly,

IT IS ORDERED that the Defendant to pay in the sum of $9,000, which amount having been paid, the case is ordered removed from the docket.

CASE NO. MCA900122
DECEMBER 19, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
M. POLANER, INC.
426 Eagle Rock Avenue
Roseland, New Jersey 07068,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant having come on for hearing on December 17, 1990, 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 six hundred fifty dollars ($650);

(2) That judgment in the amount of $6,595.33 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 January 17, 1991, 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.

MOTOR CARRIER DIVISION - ENFORCEMENT

CASE NO. MCE901094
NOVEMBER 9, 1990

IN THE MATTER OF
NORTHERN NECK TRANSFER, INC.
Route 4, Box 1810
King George, Virginia 22485

SETTLEMENT ORDER

IT APPEARING from an investigation conducted by the State Corporation Commission's Motor Carrier Division (Enforcement) that Northern Neck Transfer, Inc. is the owner of 42 tractors, as shown on Exhibit A, Attached hereto. These vehicles are improperly base licensed in the State of Illinois in violation of §§ 46.2-600, 46.2-711 and 56-304 of the Code of Virginia;

IT FURTHER APPEARING that the Commission is authorized to impose a penalty not to exceed one thousand dollars ($1,000) for each offense, together with the suspension or revocation of Northern Neck Transfer, Inc.'s authority to operate over the highways of the Commonwealth in accordance with § 56-304.12 of the Code of Virginia; and

IT FURTHER APPEARING that Northern Neck Transfer, Inc. has made an offer of settlement wherein it: (a) has tendered to the Commission the sum of $8,752.96, and will remit a further amount of $3,534.56 no later than December 1, 1990, which total amount represents Virginia license fees due based on its percentage of Virginia operations, and (b) agreed to refrain from any future violations of the aforementioned Code Sections in return for permission to operate said vehicles in Virginia until its current out-of-state registration expires; and

IT FURTHER APPEARING that the Commission's Staff has recommended that the Commission accept Northern Neck Transfer, Inc.'s offer of settlement as fair and reasonable under the circumstances pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia; accordingly,

IT IS ORDERED:

(1) That Northern Neck Transfer, Inc.'s offer of settlement in this matter as set forth herein be, and the same is hereby, accepted;

(2) That Northern Neck Transfer, Inc. cease and desist from future violations of the aforementioned Code Sections and to insure the proper base licensing of the above described vehicles.

NOTE: A copy of Exhibit A is on file and may be reviewed at the State Corporation Commission, Document Control Center, Floor B-1, Jefferson Building, Bank and Governor Streets, Richmond, Virginia.

MOTOR CARRIER DIVISION - RATES AND TARIFFS

CASE NO. MCS890019
MARCH 6, 1990

APPLICATION OF
COMMUTER LINE 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 Commision ordered that a public hearing be held 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. A hearing date of June 15, 1989 was set and the case was continued to October 6, 1989, by request of the Applicant, it was again continued to the February 14, 1990.

ON THE APPOINTED DAY, the application came on for hearing before Commissioners Harwood, Shannon and Morrison, Commissioner Morrison presiding. Hammill D. Jones, Esquire appeared as counsel for the Applicant. Graham G. Ludwig, Jr., Esquire appeared as counsel for the Commission. Ford C. Ladd, Esquire appeared as counsel for the Protestant. There were no interveners. Although the Applicant's counsel was present, the Applicant failed to appear and no evidence was presented in support of the application.

NOW THE COMMISSION, upon consideration of the foregoing is of the opinion and so finds that the Applicant has failed to carry its burden of proof; Accordingly,

IT IS ORDERED:

(1) That the application on behalf of Commuter Line Transportation, Inc. be, and the same is hereby, dismissed.

CASE NO. MCS890041
JANUARY 10, 1990

APPLICATION OF
TRI STATE CASINO TOURS, INC. OF VIRGINIA

For a certificate of public convenience and necessity as a common carrier of passengers over regular routes

FINAL ORDER

ON ANOTHER DAY, the Commission ordered that a public hearing be held before a hearing examiner on October 18, 1989, to receive evidence on this application for a certificate of public convenience and necessity as a common carrier of passengers over regular routes. Applicant seeks authority to provide service from Warrenton over U.S. Highway 29 to the Junction of Interstate Highway 66 near Gainsville, Virginia, then over Interstate 66 to the Junction of Virginia Highway 110, then over Virginia Highway 110 to the Pentagon in Arlington, Virginia and return, servicing all intermediate points.

ON THE APPOINTED DAY, the application came on for hearing before Hearing Examiner Howard P. Anderson. Jeffrey Vogelman, Esquire, appeared as counsel for the Applicant. Graham G. Ludwig, Jr., Esquire appeared as counsel to the Commission. No protests were filed and no intervener(s) participated in the proceeding.

At the conclusion of the hearing, the Examiner announced his findings from the bench and advised counsel for the Applicant that he would recommend that the Commission enter an order granting the application once further financial statements are filed. Counsel then waived his right to file comments to the Hearing Examiner's Report.

The Hearing Examiner made the following findings:

(1) The Applicant is fit, willing and able to render adequate and reliable service as a common carrier of passengers over regular routes;

(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 and the Hearing Examiner's Report, 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 Tri State Casino Tours, Inc. of Virginia is granted a certificate of public convenience and necessity as a common carrier of passengers over regular routes authorizing it to transport passengers over regular routes from Warrenton, Virginia to Arlington, Virginia and back as described above.

CASE NO. MCS890048
JULY 26, 1990

APPLICATION OF
ATLANTIC GREYHOUND LINES OF VIRGINIA, INC.

For authority to discontinue intrastate authority regular route common carrier passenger service

FINAL ORDER

IT APPEARING to the State Corporation Commission that by an order of the Interstate Commerce Commission dated December 20, 1989, the following intrastate routes were transferred as part of an interstate certificate to James River Bus Lines:

1. Certificate No. P-2211 in total between Potomac Beach, Virginia, and the Virginia/Maryland State Line via Virginia Highway 205, Virginia Highway 206, Virginia Highway 614, and U.S. Highway 301.

2. Certificate No. P-2217 in total between Fredericksburg, Virginia, and Colonial Beach, Virginia, via U.S. Highway 3, and Virginia Highway 205.

3. Certificate No. P-2206 in total between Gloucester and Colonial Beach, Virginia, U.S. Highway 17, Virginia Highway 3, and Virginia Highway 205.

4. Certificate No. P-2205 in total between Gloucester Court House and Ft. Eustis Junction via U.S. Highway 17 and Virginia Highway 105.

As such, this Application has become moot and the certificates no longer are in the public's convenience and necessity; therefore

IT IS ORDERED:

(1) That the above certificates of convenience and necessity be, and the same are canceled;

(2) That this case be, and it hereby is, dismissed.

CASE NO. MCS890049
JANUARY 5, 1990

APPLICATION OF
ATLANTIC GREYHOUND LINES OF VIRGINIA INC.

For authority to discontinue intrastate regular route common carrier of passenger service

FINAL ORDER

On July 12, 1989, Atlantic Greyhound Lines of Virginia, Inc. ("Applicant") filed a petition with the State Corporation Commission requesting authority to discontinue its service, including the transportation of baggage, mail, light express and newspapers over a certain regular route authorized by a certificate of public convenience and necessity issued by the Commission (P-2066).

On October 4, 1989, the Commission entered an order scheduling a hearing and assigning a hearing examiner. A hearing was held on October 12, 1989 and the Commissioners' Report was filed on November 13, 1989. The 21-day comment period granted by the Hearing Examiner has expired.

Now, the Commission, upon consideration of the application, the Hearing Examiner's Report, and the evidence presented, is of the opinion and finds that the Applicant should be authorized to abandon service between Roanoke, Virginia and the Virginia - West Virginia state line, destination Bluefield, West Virginia via Blacksburg and Pearisburg, Virginia.

IT IS ORDERED:

(1) That the Applicant be, and is hereby, authorized on January 15, 1990 to discontinue its scheduled passenger service, including the transportation of baggage, mail, light express, and newspapers, over that portion of Certificate No. P-2066, which authorizes service between Roanoke, Virginia and the Virginia - West Virginia state line via Blacksburg and Pearisburg, Virginia;

(2) That the Motor Carrier Division (Rates and Tariffs) shall, on January 15, 1990, cancel the portion of Certificate No. P-2066 which authorizes service between Roanoke and the Virginia -West Virginia state line via Blacksburg and Pearisburg, Virginia.

CASE NO. MCS890050
JANUARY 5, 1990

APPLICATION OF
ATLANTIC GREYHOUND LINES OF VIRGINIA INC.

For authority to discontinue intrastate regular route common carrier of passenger service

FINAL ORDER

On July 13, 1989, Atlantic Greyhound Lines of Virginia, Inc. ("Applicant") filed a petition with the State Corporation Commission requesting authority to discontinue its service, including the transportation of baggage, mail, light express and newspapers over a certain regular route authorized by a certificate of public convenience and necessity issued by the Commission (P-2202).

Now, the Commission, upon consideration of the application, the applicable law, and the evidence presented, is of the opinion and finds that the Applicant should be authorized to abandon service of the portion of Certificate No. P-2202 between Portsmouth, Virginia and Petersburg, Virginia via U.S. Highway 460.

IT IS ORDERED:

(1) That the Applicant be, and is hereby, authorized on January 15, 1990 to discontinue its scheduled passenger service, including the transportation of baggage, mail, light express, and newspapers, over that portion of Certificate No. P-2202, which authorizes service between Portsmouth, Virginia and Petersburg, Virginia via U.S. Highway 460;

(2) That the Motor Carrier Division (Rates and Tariffs) shall, on January 15, 1990, cancel the portion of Certificate No. P-2202 which authorizes service between Portsmouth, Virginia and Petersburg, Virginia via U.S. Highway 460.

CASE NO. MCS890059
FEBRUARY 14, 1990

APPLICATION OF
PROPANE TRANSPORT OF VIRGINIA, INC.

For a certificate of public convenience and necessity as a petroleum tank truck carrier

FINAL ORDER

ON ANOTHER DAY, the Commission ordered that a public hearing be held before a Hearing Examiner on December 6, 1989, to receive evidence on this application for a certificate of public convenience and necessity as a petroleum tank truck carrier.

ON THE APPOINTED DAY, the hearing was held before Hearing Examiner Howard P. Anderson. 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. The Report of the Hearing Examiner was filed on January 24, 1990.

After considering the evidence presented in the case, the Hearing Examiner found that:

(1) The Applicant is fit, willing and able to provide transportation of LPG to all points in Virginia from points of origin located in the City of Harrisonburg and the County of York;

(2) The Applicant is unable to provide transportation of LPG from Lynchburg because no facility exists;

(3) The Applicant can and will comply with all provisions of law and the Rules and Regulations of the Commission; and

(4) The application as it pertains to the points of origin of the City of Harrisonburg and the County of York, is proper and in the public interest;

(5) There is no existing public convenience and necessity for the Lynchburg point of origin; and

(6) The certificate should be restricted to the carriage of LPG only.

The fifteen (15) day comment period has expired.

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 as to the points of origin located in the City of Harrisonburg and the County of York; accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner's Report be, and the same are hereby, adopted;

(2) That a certificate of public convenience and necessity as a petroleum tank truck carrier to all points in Virginia from points or origin located in the City of Harrisonburg and the County of York, restricted to the carriage of LPG only, be, and the same is hereby, granted;

(3) That the application for authority to transport LPG to all points in Virginia from the City of Lynchburg be, and the same is hereby, denied, without prejudice.

CASE NO. MCS890060
JANUARY 26, 1990

APPLICATION OF
A. J. BENINATO & SONS, Transferor
and
BOS MOVING, INC., Transferee

To transfer certificate of public convenience and necessity as a household goods carrier No. HG-208

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a hearing examiner on January 12, 1990, to receive evidence on this application for the transfer of certificate of public convenience and necessity as a household goods carrier No. HG-208 which would authorize 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. Moody E. Stallings, Jr., Esquire, appeared as counsel for the applicants. Graham G. Ludwig, Jr., Esquire, appeared as counsel for the Commission. No protestants or intervenors appeared or participated at the hearing.

After considering the evidence presented in the case, the Hearing Examiner found that:

(1) The Transferee is fit, willing and able to provide the services required under the transfer of Certificate No. HG-208;

(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-208 be, and the same is hereby, granted.

CASE NO. MCS890061
JANUARY 4, 1990

APPLICATION OF
MARSHALL ANTHONY METTS d/b/a METTS SPORTS TOURS

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 December 7, 1989, to receive evidence on this application 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 Russell W. Cunningham. Charles P. Tench, 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 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 Examiner's Report be, and the same are 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. MCS890062
APRIL 3, 1990

APPLICATION OF
ANN MARIE REHMERT, t/a RAINBOW CHARTER & TOURS

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 March 12, 1990, to receive evidence on this application for a license to broker the transporation of passengers by motor vehicle.

ON THE APPOINTED DAY, the application came on for Hearing before Examiner Howard P. Anderson, Jr. Hamill D. Jones, Jr., Esquire, appeared as counsel for Applicant. Graham G. Ludwig, Jr., Esquire, appeared as counsel to the Commission. No protests were filed and no intervener(s) or participated in the proceeding.

At the conclusion of the hearing, the Examiner announced his findings from the bench 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 comments to the Hearing Examiner's Report.

The Hearing Examiner made the following findings:

(1) The Applicant is fit, willing and able to render adequate and reliable service;

(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.

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; accordingly,

IT IS ORDERED:

(1) That the Hearing Examiner's findings be, and the same are hereby, adopted in their entirety; and

(2) That Ann Marie Rehmert is granted a license to broker the transportation of passengers by motor vehicle authorizing her to Broker passengers by motor vehicle from the Cities of Norfolk and Virginia Beach, Virginia to all points in Virginia.

CASE NO. MCS890063
MARCH 1, 1990

APPLICATION OF
PATSY P. WYATT, c/o PATSY'S TOURS

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 January 24, 1990, to receive evidence on this application for a license to broker the transportation of passengers by motor vehicle from all points in Virginia to all points in Virginia.

ON THE APPOINTED DAY, the hearing was held before Hearing Examiner Glenn P. Richardson. Franklin P. Hall, 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 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 Examiner's Report be, and the same are 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. MCS890063
MARCH 28, 1990

APPLICATION OF
PATSY P. WYATT, t/a PATSY'S TOURS

For a license to broker the transportation of passengers by motor vehicle

AMENDING ORDER

It appearing to the State Corporation Commission that by order dated March 1, 1990, the Applicant was granted a license to broker the transportation of passengers by motor vehicle to all points in Virginia from all points in Virginia when the application was for authority to all points of Virginia from the cities of Danville and South Boston and the the counties of Pittsylvania and Halifax. Accordingly,

IT IS ORDERED:

(1) That the order of March 1, 1990, is amended to reflect that the Applicant is granted 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 Danville and South Boston and the the counties of Pittsylvania and Halifax;

(2) That in all other respects, the Commission's Order of March 1, 1990, is to remain in full force and effect.

CASE NO. MCS890064
MARCH 13, 1990

APPLICATION OF
CLUB LIMO, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Club Limo, Inc. ("Applicant") filed a petition 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 16, 1990, 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, 1989; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of November 16, 1989; that although a request for hearing was made the same has been withdrawn, there were no comments or objections filed;

NOW THE COMMISSION, upon consideration of the application and the exhibits thereto and the report of the Staff is of the opinion and finds that:

(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 to Club Limo, Inc. authorizing it 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. MCS890065
JANUARY 16, 1990

APPLICATION OF
RANDOLPH E. AND KIMBERLY A. PENDLETON

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Randolph E. and Kimberly A. Pendleton ("Applicants") filed a petition 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 22, 1989, 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 December 22, 1989; that the Applicants have complied with all requirements of public notice as set forth in the Commission's order of November 22, 1989; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and the exhibits thereto and the report of the Staff is of the opinion and finds that:

(1) That the Applicants are fit, willing and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicants pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be, and the same is hereby, granted to Randolph E. and Kimberly A. 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 Applicants upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS890066
JANUARY 23, 1990

APPLICATION OF
PURR...FECT LIMOUSINE, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Purr...Fect Limousine, Inc. ("Applicant") filed a petition 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 16, 1989, 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, 1989; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of November 16, 1989; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and the exhibits thereto and the report of the Staff is of the opinion and finds that:

(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 to Purr...Fect Limousine, Inc. authorizing it 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. MCS890067
FEBRUARY 14, 1990

APPLICATION OF
ALONZO L. HASSELL, SR., t/a FORTUNE 500 LIMOUSINE

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Alonzo L. Hassell, Sr. ("Applicant") filed a petition 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 16, 1989 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, 1989; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of November 16, 1989; that a request for hearing was made, no comments were timely filed, the request for hearing was withdrawn;

NOW THE COMMISSION, upon consideration of the application and the exhibits thereto and the report of the Staff is of the opinion and finds that:

(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 to authorizing Alonzo L. Hassell, Sr. 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. MCS890069
MARCH 21, 1990

APPLICATION OF
THE COACH STOP LIMOUSINE SERVICES, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that The Coach Stop Limousine Services, Inc. ("Applicant") filed a petition 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 16, 1989, 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, 1989; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of November 16, 1989; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and the exhibits thereto and the report of the Staff is of the opinion and finds that:

(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 to The Coach Stop Limousine Services, Inc. authorizing it 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. MCS890072
APRIL 27, 1990

APPLICATION OF
CONSUMER DISTRIBUTORS, INC.

For a certificate of public convenience and necessity as a petroleum tank truck carrier

FINAL ORDER

ON ANOTHER DAY, the Commission ordered that a public hearing be held before a Hearing Examiner on March 22, 1990, to receive evidence on this application for a certificate of public convenience and necessity as a petroleum tank truck carrier to transport petroleum products to the counties of Clarke, Loudoun, Frederick, and Warren from points of origin in Fairfax County, Manassas and Newington, Virginia restricted to the account of Griffith Consumers Company, Cheverly, Maryland.

ON THE APPOINTED DAY, the hearing was held before Senior Hearing Examiner Russell W. Cunningham, M. Brooks Savage, Jr., Esquire, appeared as counsel for the Applicant. Graham G. Ludwig, Jr., Esquire, appeared as counsel to the Commission. Calvin F. Major, Esquire appeared as counsel for the protestant and no 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. The Hearing Examiner's report was filed on April 5, 1990, and no comments were filed within the comment period.

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; and

(2) That a certificate of public convenience and necessity as a petroleum tank truck carrier to transport petroleum products to the counties of Clarke, Loudoun, Frederick and Warren from points of origin in Fairfax County, Manassas, and Newington, Virginia restricted to the account of Griffith Consumers Company, Cheverly, Maryland be, and the same is hereby, granted.

CASE NO. MCS890073
AUGUST 23, 1990

APPLICATION OF
PEDRO E. RETES
t/a INTIMACY LIMOUSINE SERVICE

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Pedro E. Retes, t/a Intimacy Limousine Service ("Applicant"), filed a petition 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 28, 1989, 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; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and the exhibits thereto and the report of the Staff is of the opinion and finds that:

(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 to Pedro E. Retes, t/a Intimacy Limousine Service, authorizing him 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. MCS890074
MARCH 19, 1990

APPLICATION OF
E. Z. S., INC., t/a MAJESTIC LIMOUSINE SERVICE

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that E.Z.S., Inc. t/a Majestic Limousine Service ("Applicant") filed a petition 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 28, 1989, 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 27, 1989; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of November 28, 1989; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and the exhibits thereto and the report of the Staff is of the opinion and finds that:

(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 to E.Z.S., Inc. t/a Majestic Limousine Service authorizing it 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. MCS890075
MARCH 23, 1990

APPLICATION OF
ZUBER LIMOUSINE SERVICE, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Zuber Limousine Service, Inc. ("Applicant") filed a petition 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 February 8, 1990, 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 29, 1990; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of February 8, 1990; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and the exhibits thereto and the report of the Staff is of the opinion and finds that:

(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 to Zuber Limousine Service, Inc. authorizing it 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. MCS890077
APRIL 27, 1990

APPLICATION OF
J. C. SHELBURNE TRANSFER AND STORAGE CO., INC., Transferor
and
PVL, INC., Transferee

To transfer certificate of public convenience and necessity as a household goods carrier No. HG-11

FINAL ORDER

ON ANOTHER DAY, the Commission ordered that a public hearing be held before a hearing examiner on March 3, 1990, to receive evidence on this application to transfer certificate of public convenience and necessity as a household goods carrier No. HG-11 which authorizes the holder thereof to transport household goods to all points in Virginia.

On the appointed day, the hearing was held before Hearing Examiner Howard P. Anderson, Jr. David M. Davenport, Esquire, appeared as counsel for the Applicants. 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 Transferee is fit, willing and able to provide the services required under the transfer of Certificate No. HG-11;

(2) 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 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 the transfer 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-11, be and the same is hereby granted.

CASE NO. MCS890078
FEBRUARY 26, 1990

APPLICATION OF
WILBERT H. PATRON, SR., t/a PATRON'S LIMOUSINE SERVICE

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Wilbert H. Patron, Sr. t/a Patron's Limousine Service ("Applicant") filed a petition 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 January 4, 1990, 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 14, 1990; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of January 4, 1990; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and the exhibits thereto and the report of the Staff is of the opinion and finds that:

(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 to Wilbert H. Patron, Sr. t/a Patron's Limousine Service authorizing him 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. MCS890079
MARCH 12, 1990

APPLICATION OF
ADELIO ESPINOZA

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Adelio Espinoza ("Applicant") filed a petition 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 January 4, 1990, 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 14, 1990; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of January 4, 1990; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and the exhibits thereto and the report of the Staff is of the opinion and finds that:

(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 to Adelio Espinoza authorizing him 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. MCS890080
MARCH 13, 1990

APPLICATION OF
BASHARAT HUSSAIN, t/a B H LIMOUSINE SERVICE

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Basharat Hussain t/a B H Limousine Service ("Applicant") filed a petition 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 January 22, 1990, 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 26, 1990; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of January 22, 1990; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and the exhibits thereto and the report of the Staff is of the opinion and finds that:

(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 to Basharat Hussain t/a B H Limousine Service authorizing it 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. MCS890081
FEBRUARY 26, 1990

APPLICATION OF
SAM J. WILLIAMS

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Sam J. Williams ("Applicant") filed a petition 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 January 4, 1990, 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 14, 1990; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of January 4, 1990; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and the exhibits thereto and the report of the Staff is of the opinion and finds that:

(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 to Sam J. Williams authorizing him 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. MCS890082
APRIL 5, 1990

APPLICATION OF
VADEN ROBINSON, t/a TOUCH OF CLASS LIMOUSINE SERVICE

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Vaden Robinson t/a Touch of Class Limousine Service ("Applicant") filed a petition 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 January 4, 1990, 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 14, 1990; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of January 4, 1990; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and the exhibits thereto and the report of the Staff is of the opinion and finds that:

(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 to Vaden Robinson t/a Touch of Class Limousine Service authorizing him 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. MCS890083
MAY 7, 1990

APPLICATION OF
LAKE GASTON BUS SERVICE, 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 February 20, 1990, to receive evidence on this application for a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle to all points in Virginia from points of origin located within the City of Emporia, and the Counties of Brunswick, Mecklenburg, Lunenburg, Nottoway, and Greensville.

ON THE APPOINTED DAY, the hearing was held before Hearing Examiner Howard P. Anderson, Jr. V. Earl Stanley, Jr., Esquire, appeared as counsel for the Applicant. Graham G. Ludwig, Jr., Esquire, appeared as counsel for the Commission. Donald I. Schubert, Esquire, and Calvin I. Major appeared as counsel for the Protestants. No 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 render adequate special or charter party service;

(2) The Applicant can and will comply with all provisions of law and the Rules and Regulations of the Commission; and

(3) The Applicant's service is justified by the public convenience and necessity from the points of origin located within the City of Emporia and the Counties of Greensville, Brunswick and Mecklenburg, Virginia.

(4) The granting of the Certificate of Public Convenience and Necessity as a special or charter party carrier be conditioned upon:

(A) The titling or leasing of the coaches in the name of Lake Gaston Bus Services, Inc. in compliance with the rules and regulations of the Commission;

(B) The establishing of separate bank accounts and bookkeeping in the name of Lake Gaston Bus Service, Inc.; and

(C) The filing of the requisite insurance with the Commission.

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 in accordance with the Report; Accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner's Report be, and the same are hereby, adopted;

(2) That a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle authorizing Lake Gaston Bus Service, Inc. to transport special or charter parties to all points in Virginia from points of origin in the City of Emporia and the Counties of Greensville, Brunswick and Mecklenburg, subject to the conditions set forth above, be, and the same is hereby, granted.

CASE NO. MCS890084
MARCH 21, 1990

APPLICATION OF
TRI - CITY TOURS, INC.

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 February 28, 1990, to receive evidence on this application for a license to broker the transportation of passengers by motor vehicle from all points in Virginia to all points in Virginia.

ON THE APPOINTED DAY, the hearing was held before Hearing Examiner Howard P. Anderson. Gary P. Arsenault, 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 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 Examiner's Report be, and the same are 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. MCS890084
MARCH 28, 1990

APPLICATION OF
TRI - CITY TOURS, INC.

For a license to broker the transportation of passengers by motor vehicle

AMENDING ORDER

It appearing to the State Corporation Commission that by order dated March 21, 1990, the Applicant was granted a license to broker the transportation of passengers by motor vehicle to all points in Virginia from all points in Virginia when the application was for authority to all points of Virginia from the cities of Suffolk, Norfolk, Chesapeake, Portsmouth, Newport News, Hampton, Virginia Beach and Poquoson and the counties of Southampton, Surry, York, Sussex, James City, and Isle of Wight. Accordingly,

IT IS ORDERED:

(1) That the order of March 21, 1990, is amended to reflect that the Applicant is granted 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 Suffolk, Norfolk, Chesapeake, Portsmouth, Newport News, Hampton, Virginia Beach and Poquoson and the counties of Southampton, Surry, York, Sussex, James City, and Isle of Wight;

(2) That in all other respects, the Commission's Order of March 21, 1990, is to remain in full force and effect.

CASE NO. MCS890086
MARCH 12, 1990

APPLICATION OF
V. I. P. AND CELEBRITY LIMOUSINE, INC.

For a certificate of public convenience and necessity as a common carrier of passengers over irregular routes

FINAL ORDER

ON ANOTHER DAY, the Commission ordered that a public hearing be held before a Hearing Examiner on February 27, 1990, to receive evidence on this application for a certificate of public convenience and necessity as a common carrier of passengers over irregular routes. Applicant seeks authority to provide service in the area of the Cities of Newport News, Hampton, Williamsburg, and Poquoson; and the Counties of James City, Gloucester, Mathews, New Kent, Charles City, Isle of Wight and York. Restriction: Service shall be restricted to the transportation of passengers and baggage having a prior or subsequent journey by aircraft to or from Patrick Henry International Airport; and

ON THE APPOINTED DAY, the application came on for hearing before 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 protests were filed and no interveners participated in the proceeding.

At the conclusion of the hearing, the Examiner announced his findings from the bench 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 comments to the Hearing Examiner's Report.

The Hearing Examiner made the following findings:

(1) The Applicant is fit, willing and able to render adequate and reliable service as a common carrier of passengers over irregular routes;

(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 and the Hearing Examiner's Report, the Commission is of the opinion and finds that the application is justified by the public convenience and necessity 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 V.I.P. and Celebrity Limousine, Inc. is granted a certificate of public convenience and necessity as a common carrier of passengers over irregular routes authorizing it to provide service in the area of the Cities of Newport News, Hampton, Williamsburg, and Poquoson; and the Counties of James City, Gloucester, Mathews, New Kent, Charles City, Isle of Wight and York. Restriction: Service shall be restricted to the transportation of passengers and baggage having a prior or subsequent journey by aircraft to or from Patrick Henry International Airport.

CASE NO. MCS900009
APRIL 5, 1990

APPLICATION OF
J & B ENTERPRISES, INC., Transferor
and
LUV BUS, INC., Transferee

To transfer certificate of public convenience and necessity as a special or charter party carrier No. B-314

FINAL ORDER

ON ANOTHER DAY, the Commission ordered that a public hearing be held before a Hearing Examiner on March 14, 1990, to receive evidence on this application for for the transfer of certificate of public convenience and necessity as a special or charty party carrier No. B-314 which would authorize the holder thereof to transport passengers in special or charter parties by motor vehicle;

ON THE APPOINTED DAY, the hearing was held before Hearing Examiner Russell W. Cunninham. W. Chapman Goodwin, 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 Transferee is fit, willing and able to provide the service requested;

(2) 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 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 Examiner's Report be, and the same are hereby, adopted; and

(2) That the transfer of certificate of public convenience and necessity as a special or charter party carrier No. B-314 be, and the same is hereby, granted.

CASE NO. MCS900010
FEBRUARY 8, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
FLIPPO'S TRANSPORTATION CORP.

For a certificate of public convenience and necessity as a petroleum tank truck carrier

DISMISSAL ORDER

IT APPEARING to the State Corporation Commission that by Final Order, dated March 11, 1987, in Case No. MCS860061, the Applicant was granted authority by the Commission as a petroleum tank truck carrier to transport petroleum products from the Cities of Portsmouth and Richmond and the Counties of Henrico, Fairfax, Roanoke and the Montvale Terminal in Bedford County to all points in Virginia; and

IT FURTHER APPEARING that the certificate was to be issued upon satisfaction by the Applicant of requirements for operation as set by law and the Rules and Regulations of this Commission, said requirements never having been met; and

IT FURTHER APPEARING that the Commission's Motor Carrier Division (Rates and Tariffs) has received a letter from the Applicant dated February 10, 1989, advising that the assets of Flippo's Oil Company had been sold and it is no longer in operation; and

THE COMMISSION, upon consideration of the circumstances, is of the opinion that the conditions subsequent to the Final Order have not been met; accordingly,

IT IS ORDERED:

(1) That the certificate of public convenience and necessity not be issued to Flippo's Transportation Corp., and its authority is hereby, revoked pursuant to Rule 5 of the Rules and Regulations Governing the Supervision, Control and Operation of Petroleum Tank Truck Carriers;

CASE NO. MCS900011
AUGUST 13, 1990

APPLICATION OF
WINTER HAWK TOURS, INCORPORATED

For a certificate of public convenience and necessity as a common carrier of passengers over irregular routes

DISMISSAL ORDER

ON ANOTHER DAY, the Commission ordered that a public hearing be held to receive evidence on this Application.

ON THE APPOINTED DAY, the Application came on for hearing before Hearing Examiner Howard P. Anderson, Jr. Carroll E. Smith, Esquire, appeared as counsel for the Applicant and Graham G. Ludwig, Jr., Esquire, appeared as counsel to the Commission.

After considering the evidence presented in the case the Hearing Examiner filed his report on July 20, 1990, setting forth the following findings and recommendations:

(1) That the Applicant failed to prove that it is financially fit willing and able to render adequate and reliable service in the areas requested;

(2) That the Applicant failed to prove that the Application is justified by the public convenience and necessity; and

(3) That the Application should be denied and the Application dismissed without prejudice.

There were no comments filed within the 15-day comment period.

Upon consideration of the Application and the Hearing Examiner's Report, the Commission is of the opinion and so finds that the Application should be denied; Accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner's Report be, and the same are hereby, adopted;

(2) That the Application of Winter Hawk Tours, Incorporated be, and the same is hereby denied;

(3) That this case is dismissed without prejudice from the Commission's docket of active cases.

CASE NO. MCS900012
APRIL 12, 1990

APPLICATION OF
HYDRO - TAP SERVICE, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Hydro-Tap Service, Inc. ("Applicant") filed a petition 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 February 15, 1990, 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 4, 1990; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of February 15, 1990; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and the exhibits thereto and the report of the Staff is of the opinion and finds that:

(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 to Hydro-Tap Service, Inc. authorizing it 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. MCS900013
APRIL 11, 1990

APPLICATION OF
JAMES HUNTER BUS SERVICE, INC., t/a HUNTER BUS SERVICE

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 March 20, 1990, to receive evidence on this application for a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle to all

points in Virginia from points of origin in the City of Fredericksburg and the Counties of King George, Spotsylvania, Stafford, Caroline, King and Queen, Essex, Culpeper, and Prince William, Virginia.

ON THE APPOINTED DAY, the hearing was held before Hearing Examiner Howard P. Anderson, Jr. Calvin I. Major, Esquire, appeared as counsel for 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 deemed not to be necessary.

Upon consideration of the application and the Hearing Examiner's Report, the Commission is of he 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 certificate of public convenience and necessity as a special or charter party carrier of passengers by motor vehicle to all points in Virginia from points of origin in the City of Fredericksburg and the Counties of King George, Spotsylvania, Stafford, Caroline, King and Queen, Essex, Culpeper, and Prince William, Virginia be, and the same is hereby, granted.

CASE NO. MCS900014
MARCH 29, 1990

APPLICATION OF
AUTOMART LIMOUSINE SERVICE

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Automart Limousine Service ("Applicant") filed a petition 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 February 12, 1990, 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 20, 1990; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of February 12, 1990; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and the exhibits thereto and the report of the Staff is of the opinion and finds that:

(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 to Automart Limousine Service, authorizing it 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. MCS900015
APRIL 6, 1990

APPLICATION OF
WESTFIELD'S INTERNATIONAL CONFERENCE CENTER

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Westfield's International Conference Center ("Applicant") filed a petition 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 February 15, 1990, 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 4, 1990; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of February 15, 1990; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and the exhibits thereto and the report of the Staff is of the opinion and finds that:

(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 to Westfield's International Conference Center, Inc. authorizing it 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. MCS900016
MARCH 23, 1990

APPLICATION OF
RONALD E. RIGSBEE, t/a RIGSBEE & SON LIMOUSINE SERVICE

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Ronald E. Rigsbee t/a Rigsbee & Son Limousine Service ("Applicant") filed a petition 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 February 12, 1990, 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 20, 1990; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of February 12, 1990; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and the exhibits thereto and the report of the Staff is of the opinion and finds that:

(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 to Ronald E. Rigsbee t/a Rigsbee & Son Limousine Service authorizing him 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. MCS900017
MAY 7, 1990

APPLICATION OF
WESTFIELDS INTERNATIONAL CONFERENCE CENTER, INC.

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 April 11, 1990, to receive evidence on this application for a license to broker the transportation of passengers by motor vehicle to all points in Virginia from Westfields International Conference Center in Chantilly, Virginia.

ON THE APPOINTED DAY, the hearing was held before Hearing Examiner Russell W. Cunningham, Christopher W. Keefer, 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 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 Examiner's Report be, and the same are hereby, adopted; and

(2) That a license to broker the transportation of passengers by motor vehicle to all points in Virginia from Westfields International Conference Center in Chantilly, Virginia be, and the same is hereby, granted.

CASE NO. MCS900018
APRIL 18, 1990

APPLICATION OF
B & D MOVING INC., Transferor
and
JOE MOHOLLAND INC., Transferee

For a certificate of public convenience and necessity as a household goods carrier No. HG-452

FINAL ORDER

ON ANOTHER DAY, the Commission ordered that a public hearing be held before a hearing examiner on March 4, 1990, to receive evidence on this application to transfer certificate of public convenience and necessity as a household goods carrier No. HG-452 which authorizes the holder thereof to transport household goods to all points in Virginia.

ON THE APPOINTED DAY, the hearing was held before Hearing Examiner Glenn P. Richardson. Calvin F. Major, Esquire, appeared as counsel for Applicant. Graham G. Ludwig, Jr., Esquire, appeared as counsel to the Commission. No protests were filed and no interveners appeared or participated at the hearing.

After considering the evidence presented in the case the Hearing Examiner found that:

(1) The Transferee is fit, willing and able to provide the services required under the transfer of Certificate No. HG-452;

(2) 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 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 the transfer 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-452, be and the same is hereby granted.

CASE NO. MCS900019
JULY 12, 1990

APPLICATION OF
J. MEAK BARTON, t/a V.I.P. TOURS OF CHARLOTTESVILLE

For a certificate of public convenience and necessity as a sightseeing carrier

FINAL ORDER

ON ANOTHER DAY, the Commission ordered that a public hearing be held before a hearing examiner on June 11, 1990, to receive evidence on this application for a certificate of public convenience and necessity as a sightseeing carrier.

ON THE APPOINTED DAY, the application came on for hearing before Hearing Examiner Howard P. Anderson, Jr. Applicant appeared pro se. Graham G. Ludwig, Jr., 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 the public's convenience and necessity will be served.

At the conclusion of the hearing on this application, the Hearing Examiner announced the above findings and advised the Applicant that he would recommend that the Commission enter an order granting the application. The Applicant 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 findings of the Hearing Examiner's Report be, and the same are are hereby, adopted; and

(2) That a certificate of public convenience and necessity as a sightseeing carrier of passengers, as set forth in the application, be, and the same is hereby, granted.

CASE NO. MCS900022
MAY 23, 1990

APPLICATION OF
CREWE TRANSFER, INC., Transferor
and
GRAEBEL/POTOMAC MOVERS, INC., Transferee

For a certificate of public convenience and necessity as a household goods carrier No. HG-358

FINAL ORDER

ON ANOTHER DAY, the Commission ordered that a public hearing be held before a hearing examiner on April 30, 1990, to receive evidence on this application to transfer certificate of public convenience and necessity as a household goods carrier No. HG-358 which authorizes the holder thereof to transport household goods to all points in Virginia.

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 protests were filed and no interveners appeared or participated at the hearing.

After considering the evidence presented in the case the Hearing Examiner found that:

(1) The Transferee is fit, willing and able to provide the services required under the transfer of Certificate No. HG-358;

(2) 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 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 the transfer 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-358, be and the same is hereby granted.

CASE NO. MCS900023
JULY 23, 1990

APPLICATION OF
TANK LINES, INCORPORATED

For a certificate of public convenience and necessity as a petroleum tank truck carrier

FINAL ORDER

ON ANOTHER DAY, the Commission ordered that a public hearing be held before a hearing examiner on May 16, 1990, to receive evidence on this Application for a certificate of public convenience and necessity as a petroleum tank truck carrier to transport petroleum products within the State of Virginia.

ON THE APPOINTED DAY, the hearing was held before Hearing Examiner Howard P. Anderson. Charles W. Hundley, Esquire, appeared as counsel for Applicant. Graham G. Ludwig, Jr., Esquire, appeared as counsel to the Commission. Calvin F. Major, Esquire, filed a protest on behalf of Quality Carriers, Inc. Eastern Motor Transport, Inc., Oil Transport Inc., and E. Brook Matlock, Inc. No intervenors appeared or participated.

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 operation is justified by public convenience and necessity.

The Hearing Examiner's Report was filed on July 2, 1990.

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 justified by the public convenience and necessity; accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner's Report be, and the same are hereby, adopted; and

(2) That a certificate of public convenience and necessity as a petroleum tank truck carrier to transport petroleum products, as set forth in the application be, and the same is hereby, granted.

CASE NO. MCS900024
MAY 31, 1990

APPLICATION OF
JOAN E. NOLAN, t/a JOAN'S TRAVEL TOURS

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 May 16, 1990, 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 in Northumberland, Lancaster, Westmoreland, Richmond, and Essex Counties.

ON THE APPOINTED DAY, the hearing was held before Hearing Examiner Howard P. Anderson. The Application appeared Pro Se. 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 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 Examiner's Report be, and the same are hereby, adopted; and

(2) That a license to broker the transportation of passengers by motor vehicle to all points in Virginia points of origin located in Northumberland, Lancaster, Westmoreland, Richmond, and Essex Counties be, and the same is hereby, granted.

CASE NO. MCS900025
DECEMBER 26, 1990

APPLICATION OF
DOMINION LIMOUSINES, LTD.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Dominion Limousines, Ltd. ("Applicant"), filed a petition 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 15, 1990, and an Amending Order 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 20, 1990; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Amending Order that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and 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 to Dominion Limousines, Ltd., authorizing it 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. MCS900028
MAY 8, 1990

APPLICATION OF
EXECUTIVE LIMOUSINE SERVICE

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Executive Limousine Services, Inc. ("Applicant") has filed a petition 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, 1990, 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, 1990; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of March 16, 1990; that no request for hearing was made and no comments were 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 that:

(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 to Executive Limousine Service, Inc. authorizing it 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. MCS900031
JUNE 7, 1990

APPLICATION OF
SHIRLEY J. HARRIS, t/a S. J. HARRIS HAULING COMPANY

For a license to broker the transportation of property - construction materials by motor vehicle

FINAL ORDER

ON ANOTHER DAY, the Commission ordered that a public hearing be held before a Hearing Examiner on May 21, 1990, to receive evidence on this application for a license to broker the transportation of property - construction materials 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 P. Anderson, Jr. Peter A. Cerick, 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 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 Examiner's Report be, and the same are 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. MCS900032
JULY 17, 1990

APPLICATION OF
DEFILIPPI ENTERPRISES, INCORPORATED
t/a PERSONALLY YOURS ENTERPRISES INCORPORATED

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Defilippi Enterprises, Incorporated t/a Personally Yours Enterprises Incorporated ("Applicant") filed a petition 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 26, 1990, 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 11, 1990; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of March 26, 1990; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and the exhibits thereto and the report of the Staff is of the opinion and finds that:

(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 to Defilippi Enterprises, Incorporated t/a Personally Yours Enterprises Incorporated authorizing it 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. MCS900033
JUNE 19, 1990

APPLICATION OF
LIMOUSINES OF RICHMOND, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Limousines of Richmond, Inc. ("Applicant"), filed a petition 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 26, 1990, 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 11, 1990; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of March 26, 1990; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and the exhibits thereto and the report of the Staff is of the opinion and finds that:

(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 to Limousines of Richmond, Inc., authorizing it 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. MCS900035
JULY 12, 1990

APPLICATION OF
MYLES INC., t/a MYLES: OPERATION PRISON GAP

For a certificate of public convenience and necessity as a common carrier of passengers over regular routes by motor vehicle

FINAL ORDER

ON ANOTHER DAY, the Commission ordered that a public hearing be held before a Hearing Examiner on June 19, 1990, to receive evidence on this application for a certificate of public convenience and necessity as a common carrier of passengers over the regular routes set forth in this application.

ON THE APPOINTED DAY, the hearing was held before Senior Hearing Examiner Russell W. Cunningham. Ronald R. Wesley, 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 justified and will serve 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 Examiner's 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 regular routes set forth in the application be, and the same is hereby, granted.

CASE NO. MCS900036
JUNE 14, 1990

APPLICATION OF
ALVIN B. STOKES, Transferor
and
ALVIN B. STOKES, INC., Transferee

To transfer certificate of public convenience and necessity as a household goods carrier No. HG-138

FINAL ORDER

ON ANOTHER DAY, the Commission ordered that a public hearing be held before a hearing examiner on June 5, 1990, to receive evidence on this application to transfer certificate of public convenience and necessity as a household goods carrier No. HG-138 which authorizes the holder thereof to transport household goods between all points in Virginia.

ON THE APPOINTED DAY, the hearing was held before Senior Hearing Examiner Russell W. Cunningham. Edward F. Greco, Esquire, appeared as counsel for the Applicants. 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 Transferee is fit, willing and able to provide the services required under the transfer of certificate No. HG-138;

(2) The Transferee 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 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 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 the transfer 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-138 be, and the same is hereby, granted.

CASE NO. MCS900037
JULY 2, 1990

APPLICATION OF
CONTINENTAL TANK LINES, LTD.

For a certificate of public convenience and necessity as a petroleum tank truck carrier

FINAL ORDER

ON ANOTHER DAY, the Commission ordered that a public hearing be held before a hearing examiner on June 6, 1990, to receive evidence on this Application for a certificate of public convenience and necessity as a petroleum tank truck carrier to transport petroleum products from points of origin in the Counties of Fairfax, Prince William and Spotsylvania, Virginia to the Cities of Alexandria, Falls Church, Fairfax, Manassas, Manassas Park, Fredericksburg and Winchester; and the Counties of Arlington, Fairfax, Prince William, Loudoun, Clarke, Warren, Frederick, Shenandoah, Page, Faquier, Culpeper, Rappahannock, Stafford, Spotsylvania and King George. At the time of the hearing, the Applicant amended its Application to exclude asphalt and asphalt products and restricting it to the transportation for Continental Petroleum and Energy Company, Ltd. and Consumers Fuel Co. Inc.

ON THE APPOINTED DAY, the hearing was held before Senior Hearing Examiner Russell W. Cunningham. Leonard A. Jaskiewicz, Esquire, and Barbara J. Bouchard, Esquire appeared as counsel for Applicant. Graham G. Ludwig, Jr., Esquire, appeared as counsel to the Commission. Calvin F. Major, Esquire, filed a protest on behalf of Quality Carriers, Inc. and Eastern Motor Transport, Inc. which was withdrawn prior to the hearing, and no intervenors appeared or participated.

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 operation is justified by 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 and the customary fifteen-day comment period.

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 justified by the public convenience and necessity; accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner's Report be, and the same are hereby, adopted; and

(2) That a certificate of public convenience and necessity as a petroleum tank truck carrier to transport petroleum products, excluding asphalt and asphalt products, from points of origin in the Counties of Fairfax, Prince William and Spotsylvania, Virginia to the Cities of Alexandria, Falls Church, Fairfax, Manassas, Manassas Park, Fredericksburg and Winchester; and the Counties of Arlington, Fairfax, Prince William, Loudoun, Clarke, Warren, Frederick, Shenandoah, Page, Faquier, Culpeper, Rappahannock, Stafford, Spotsylvania and King George, Virginia restricted to the account of Continental Petroleum and Energy Company, Ltd. and Consumers Fuel Co., Inc. be, and the same is hereby, granted.

CASE NO. MCS900038
JUNE 19, 1990

APPLICATION OF
ELIZABETH Y. MALLORY, t/a EXPRESS TRAVEL

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 June 6, 1990, to receive evidence on this application for a license to broker the transportation of passengers by motor vehicles to all points in Virginia from points of origin within the Counties of Brunswick, Greenville, Mecklenburg and Dinwiddie, Virginia.

ON THE APPOINTED DAY, the application came on for hearing before Senior Hearing Examiner Russell W. Cunningham. Elizabeth Y. Mallory, appeared pro se. Graham G. Ludwig, Jr., Esquire, appeared as counsel to the Commission. No protests were filed and no interveners participated in the proceeding.

At the conclusion of the hearing, the Examiner announced his findings from the bench and advised for the Applicant that he would recommend that the Commission enter an order granting the application. The Applicant then waived her right to file comments to the Hearing Examiner's Report.

The Hearing Examiner made the following findings:

(1) The Applicant is fit, willing and able to render adequate and reliable service as a broker for the transportation of passengers 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 proper and in the public interest;

UPON CONSIDERATION of the application and the Hearing Examiner's Report, 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 is hereby, adopted in their entirety;

(2) That Elizabeth Y. Mallory is granted a license to broker the transportation of passengers by motor vehicles to all points in Virginia from points of origin within the Counties of Brunswick, Greenville, Mecklenburg and Dinwiddie, Virginia.

CASE NO. MCS900040
NOVEMBER 8, 1990

APPLICATION OF
EAGLE PARLOR TOURS OF VIRGINIA, 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 October 16, 1990, 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 within the Cities of Danville, Lynchburg, Martinsville, and South Boston as well as the Counties of Pittsylvania, Franklin, Patrick, Henry, Halifax, Mechlenburg, Charlotte, Campbell, Prince Edward and Bedford.

ON THE APPOINTED DAY, the application came on for hearing before Sr. Hearing Examiner Russell W. Cunningham. William E. Greene, Jr., Esquire, appeared as counsel for the Applicant. Graham G. Ludwig, Jr., Esquire appeared as counsel to the Commission. No protests were filed and no intervener(s) participated at the proceeding.

At the conclusion of the hearing, the Examiner announced his findings from the bench 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 comments to the Hearing Examiner's Report.

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 and the Hearing Examiner's Report, 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 finding be, and the same are hereby, adopted in their entirety; and

(2) That Eagle Parlor Tours of Virginia, 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 to all points in Virginia from points of origin located within the Cities of Danville, Lynchburg, Martinsville, and South Boston as well as the Counties of Pittsylvania, Franklin, Patrick, Henry, Halifax, Mechlenburg, Charlotte, Campbell, Prince Edward and Bedford.

CASE NO. MCS900041
JULY 16, 1990

APPLICATION OF
DOMINION CHARTER COMPANY, 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 June 10, 1990, to receive evidence on this application for a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle to all points in Virginia from points of origin in the City of Charlottesville and the Counties of Albemarle, Greene, Madison, Orange, Fluvanna, Louisa, Buckingham, Nelson, Amherst and Rockingham, Virginia.

ON THE APPOINTED DAY, the hearing was held before Hearing Examiner Glenn P. Richardson. Calvin I. 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) 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 is justified.

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 justified 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; and

(2) That a certificate of public convenience and necessity as a special or charter party carrier of passengers by motor vehicle to all points of Virginia from points of origin in the City of Charlottesville and the Counties of Albemarle, Greene, Madison, Orange, Fluvanna, Louisa, Buckingham, Nelson, Amherst and Rockingham, Virginia be, and the same is hereby, granted.

CASE NO. MCS900043
JULY 23, 1990

APPLICATION OF
JOHN HAMILL CORP.
t/a TUXEDO LIMOUSINE SERVICE

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that John Hamill Corp., t/a Tuxedo Limousine Service ("Applicant") filed a petition 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 May 24, 1990, 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 11, 1990; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of May 24, 1990; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and the exhibits thereto and the report of the Staff is of the opinion and finds that:

(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 to John Hamill Corp., t/a Tuxedo Limousine Service authorizing it 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. MCS900044
JULY 23, 1990

APPLICATION OF
TRUE BRIT, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that True Brit, Inc. ("Applicant"), filed a petition 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 May 23, 1990, 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 11, 1990; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of May 23, 1990; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and the exhibits thereto and the report of the Staff is of the opinion and finds that:

(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 to True Brit, Inc., authorizing it 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. MCS900046
JULY 16, 1990

APPLICATION OF
EARVA LEE JONES - SUMBLIN
t/a "GRUP" OPPORTUNITY TRAVEL

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 July 2, 1990, 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 County of Southampton, Virginia.

ON THE APPOINTED DAY, the hearing was held before Hearing Examiner Glenn P. Richardson. The Applicant appeared pro se. 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. Applicant then waived her 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 Examiner's Report be, and the same are hereby, adopted; and

(2) That a license to broker the transportation of passengers by motor vehicle to all points in Virginia from points of origin in Southampton County, Virginia be, and the same is hereby, granted.

CASE NO. MCS900047
JULY 24, 1990

APPLICATION OF
WELDON'S FUNERAL HOME
t/a WELDON'S LIMOUSINE SERVICE

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Weldon's Funeral Home t/a Weldon's Limousine Service ("Applicant") filed a petition 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 May 31, 1990, 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 13, 1990; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of May 31, 1990; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and the exhibits thereto and the report of the Staff is of the opinion and finds that:

(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 to Weldon's Funeral Home, a partnership, t/a Weldon's Limousine Service authorizing it 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. MCS900048
SEPTEMBER 12, 1990

APPLICATION OF
ESCORT LIMOUSINE SERVICES, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Escort Limousine Services, ("Applicant"), filed a petition 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 June 4, 1990, 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 23, 1990; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of June 4, 1990; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and 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 to Escort Limousine Services, Inc., authorizing it 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. MCS900049
JULY 24, 1990

APPLICATION OF
LONDON TRANSPORT OF RICHMOND, LTD.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that London Transport of Richmond, Ltd. ("Applicant"), filed a petition 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 June 4, 1990, 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 23, 1990; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of June 4, 1990; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and the exhibits thereto and the report of the Staff is of the opinion and finds that:

(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 to London Transport of Richmond, Ltd., authorizing it 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. MCS900050
OCTOBER 26, 1990

APPLICATION OF
ARSENIA M. HIGHSMITH
t/a ARWELL'S LIMOUSINE SERVICE

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Arsenia M. Highsmith t/a Arwell's Limousine Service ("Applicant"), filed a petition 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 June 4, 1990, 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 23, 1990; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of June 4, 1990; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and 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 to Arsenia M. Highsmith t/a Arwell's Limousine Service authorizing him 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. MCS900051
JULY 24, 1990

APPLICATION OF
AMBASSADOR LIMOUSINE SERVICE, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Ambassador Limousine Service, Inc. ("Applicant"), filed a petition 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 June 4, 1990, 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 23, 1990; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of June 4, 1990; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and the exhibits thereto and the report of the Staff is of the opinion and finds that:

(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 to Ambassador Limousine Service, Inc., authorizing it 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. MCS900053
AUGUST 21, 1990

APPLICATION OF
PORTER FURNITURE COMPANY, Transferor
and
STERLING VAN LINES, INC., Transferee

To transfer certificate of public convenience and necessity as a household goods carrier No. HG-12

FINAL ORDER

ON ANOTHER DAY, the Commission ordered that a public hearing be held before a Hearing Examiner on July 26, 1990, to receive evidence on this application to transfer certificate of public convenience and necessity as a household goods carrier No. HG-12 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. Calvin F. Major, Esquire, appeared as counsel for the Applicants. 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 Transferee is fit, willing and able to provide the services required under the transfer of certificate No. HG-12;

(2) The Transferee 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 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 Examiner's Report be, and the same are hereby, adopted; and

(2) That the transfer of certificate of public convenience and necessity as a household goods carrier No. HG-12 be, and the same is hereby, granted.

CASE NO. MCS900054
OCTOBER 15, 1990

APPLICATION OF
CONTEMPORARY TRAVEL LTD.

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 19, 1990, to receive evidence on this application for a license to broker the transportation of passengers by motor vehicles from and to all points of Virginia;

ON THE APPOINTED DAY, the hearing was held before Hearing Examiner Howard P. Anderson, Jr. Thomas E. Glascock, 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 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 Examiner's Report be, and the same are 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. MCS900055
AUGUST 10, 1990

APPLICATION OF
CHECKER CAB CO., INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Checker Cab Co., Inc. ("Applicant"), filed a petition 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 June 22, 1990, 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 9, 1990; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of June 22, 1990; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and the exhibits thereto and the report of the Staff is of the opinion and finds that:

(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 to Checker Cab Co., Inc., authorizing it 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. MCS900056
AUGUST 10, 1990

APPLICATION OF
BLACK AND WHITE CARS, INCORPORATED

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Black and White Cars, Incorporated ("Applicant"), filed a petition 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 June 22, 1990, 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 9, 1990; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of June 22, 1990; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and the exhibits thereto and the report of the Staff is of the opinion and finds that:

(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 to Black and White Cars, Incorporated, authorizing it 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. MCS900057
AUGUST 10, 1990

APPLICATION OF
NORVIEW CARS, INCORPORATED

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Norview Cars, Incorporated ("Applicant") filed a petition 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 June 21, 1990, 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 9, 1990; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of June 21, 1990; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and the exhibits thereto and the report of the Staff is of the opinion and finds that:

(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 to Norview Cars, Incorporated authorizing it 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. MCS900058
AUGUST 13, 1990

APPLICATION OF
UNLIMITED LIMO, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Unlimited Limo, Inc. ("Applicant") filed a petition 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 June 21, 1990, 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 9, 1990; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of June 21, 1990; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and the exhibits thereto and the report of the Staff is of the opinion and finds that:

(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 to Unlimited Limo, Inc. authorizing it 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. MCS900059
AUGUST 13, 1990

APPLICATION OF
WILLIAM DAVIS, t/a TRI - BILL LIMOUSINE SERVICE

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that William Davis t/a Tri-Bill Limousine Service ("Applicant") filed a petition 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 June 21, 1990, 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 9, 1990; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of June 21, 1990; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and the exhibits thereto and the report of the Staff is of the opinion and finds that:

(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 to William Davis t/a Tri-Bill Limousine Service authorizing him 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. MCS900061
SEPTEMBER 12, 1990

APPLICATION OF
LUXURY LIMOUSINE SERVICE, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Luxury Limousine Service, Inc. ("Applicant"), filed a petition 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 June 21, 1990, 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 9, 1990; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of June 21, 1990; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and 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 to Luxury Limousine Service, Inc., authorizing it 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. MCS900062
OCTOBER 29, 1990

APPLICATION OF
THOMPSON VAN LINES, INC., Transferor
and
TOWN AND COUNTRY MOVERS, INC., Transferee

To transfer certificate of public convenience and necessity as a household goods carrier No. HG-306

FINAL ORDER

ON ANOTHER DAY, the Commission ordered that a public hearing be held before a hearing examiner on September 24, 1990, to receive evidence on this application to transfer certificate of public convenience and necessity as a household goods carrier No. HG-306 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. Calvin F. Major, Esquire, appeared as counsel for the Applicants. 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 Transferee is fit, willing and able to provide the services rendered under the transfer of certificate No. HG-306;

(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 counsel for the Applicant waived his right to file comments to the Hearing Examiner's report.

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 the transfer 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 certificate of public convenience and necessity as a household goods carrier No. HG-306 be, and the same is hereby, granted.

CASE NO. MCS900063
AUGUST 13, 1990

APPLICATION OF
MONTHA OK, t/a PARADISE LIMOUSINE SERVICE

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Montha Ok t/a Paradise Limousine Service ("Applicant") filed a petition 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 June 22, 1990, 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 9, 1990; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of June 22, 1990; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and the exhibits thereto and the report of the Staff is of the opinion and finds that:

(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 to Montha Ok t/a Paradise Limousine Service authorizing him 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. MCS900064
OCTOBER 29, 1990

APPLICATION OF
THOMPSON TRUCKING, INC.

For a certificate of public convenience and necessity as a petroleum tank truck carrier

FINAL ORDER

ON ANOTHER DAY, the Commission ordered that a public hearing be held to receive evidence on this application for a certificate of public convenience and necessity as a petroleum tank truck carrier which would authorize the holder thereof to transport petroleum products for Marvin V. Templeton & Sons, Inc. and Lawhorne Brothers, Inc. from the Cities of Richmond and Norfolk, Virginia to points and places in the Counties of Amherst, Buckingham, Campbell and Rockingham, Virginia;

ON THE APPOINTED DAY, the hearing was held before Hearing Examiner Glenn P. Richardson. John R. Sims, Jr., Esquire, appeared as counsel to the Applicant. Graham G. Ludwig, Jr., appeared as counsel to the Commission. Calvin F. Majors, appeared as counsel to the all protestants. No interveners appeared at the hearing.

After considering the evidence presented in the case, the Hearing Examiner found:

(1) That the Applicant, Thompson Trucking, Inc., is fit, willing and able to provide petroleum tank truck carrier service;

(2) That the Applicant can and will comply with all provisions of law;

(3) That the proposed operation is justified by the public convenience and necessity to transport liquid asphalt only.

The report of the Hearing Examiner was filed on October 8, 1990, and no comments were filed within the 15 day comment period.

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 convenience and necessity 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 certificate of public convenience and necessity as a petroleum tank truck carrier be, and the same is hereby, granted to transport liquid asphalt under contract with Marvin V. Templeton & Sons, Inc. and Lawhorne Brothers, Inc. from the Cities of Richmond and Norfolk, Virginia to points and places in the Counties of Amherst, Buckingham, Campbell and Rockingham, Virginia.

CASE NO. MCS900066
AUGUST 23, 1990

APPLICATION OF
GARY ALAN BAKER, t/a LANDMARK LIMOUSINE SERVICE

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Gary Alan Baker t/a Landmark Limousine Service ("Applicant"), filed a petition 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 3, 1990, 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 16, 1990; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of July 3, 1990; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and the exhibits thereto and the report of the Staff is of the opinion and finds that:

(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 to Gary Alan Baker, t/a Landmark Limousine Service authorizing him 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. MCS900067
NOVEMBER 6, 1990

APPLICATION OF
LAND CRUISERS, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Land Cruisers, Inc. ("Applicant"), filed a petition 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 24, 1990, 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 31, 1990; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of July 24, 1990; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and 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 to Land Cruisers, Inc., authorizing it 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. MCS900071
NOVEMBER 26, 1990

APPLICATION OF
DOUGLAS W. SALYER

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Douglas W. Salyer ("Applicant") filed a petition 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 12, 1990,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 28, 1990; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of July 12, 1990; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and the exhibits thereto and the report of the Staff is of the opinion and finds that:

(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 to Douglas W. Salyer, authorizing him 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. MCS900072
SEPTEMBER 21, 1990

APPLICATION OF
METRO MOVING & STORAGE, INC., Transferor
and
MARTIN STORAGE COMPANY, INC., Transferee

To transfer certificate of public convenience and necessity as a household goods carrier No. HG-432

FINAL ORDER

ON ANOTHER DAY, the Commission ordered that a public hearing be held before a hearing examiner on September 5, 1990, to consider this application to transfer certificate of public convenience and necessity as a household goods carrier No. HG-432 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. Calvin F. Major, Esquire, appeared as counsel for Applicants. 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 Transferee is fit, willing and able to provide the services required under the transfer of certificate No. HG-432;

(2) The Transferee 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 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 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 the transfer should be granted; accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner 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-432 be, and the same is hereby, granted.

CASE NO. MCS900073
SEPTEMBER 27, 1990

APPLICATION OF
TOP HAT LIMOS, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Top Hat Limos, Inc. ("Applicant") filed a petition 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 12, 1990, 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 28, 1990; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of July 12, 1990; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and the exhibits thereto and the report of the Staff is of the opinion and finds that:

(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 to Top Hat Limos, Inc. authorizing it 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. MCS900076
SEPTEMBER 21, 1990

APPLICATION OF
YORKTOWN VICTORY 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 September 10, 1990, 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 in Exhibit A attached hereto.

ON THE APPOINTED DAY, the application came on for hearing before Hearing Examiner Glenn P. Richardson. F. Sullivan Callahan, appeared as counsel for the Applicant. Graham G. Ludwig, Jr., Esquire appeared as counsel to the Commission. No protests were filed and no interveners participated in the proceeding.

At the conclusion of the hearing, the Examiner announced his findings from the bench 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 comments to the Hearing Examiner's Report which made the following findings:

(1) The Applicant is fit, willing and able to render the adequate and reliable sight-seeing or special or charter party service by boat;

(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 and the Hearing Examiner's Report, 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; and

(2) That Yorktown Victory Cruises, Inc. is granted a certificate of public convenience and necessity as a sight-seeing and special or charter party carrier by boat, authorizing it to transport passengers as shown in Exhibit A attached hereto, subject to proof of compliance with all requirements of § 56-457.8.

NOTE: A copy of Exhibit A is on file and may be examined at the State Corporation Commission, Document Control Center, Floor B-1, Jefferson Building, Richmond, Virginia.

CASE NO. MCS900077
NOVEMBER 8, 1990

APPLICATION OF
MARK MCGLENNON, t/a BLUE KNIGHT LIMOUSINE SERVICE

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Mark McGlennon, t/a Blue Knight Limousine Service ("Applicant"), filed a petition 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 12, 1990,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 28, 1990; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of July 12, 1990; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and the exhibits thereto and the report of the Staff is of the opinion and finds that:

(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 to Mark McGlennon, t/a Blue Knight Limousine Service authorizing him 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. MCS900080
SEPTEMBER 27, 1990

APPLICATION OF
MICHAEL J. BROWN, t/a Specialty Limousine

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Michael J. Brown t/a Specialty Limousine Service ("Applicant"), filed a petition 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 16, 1990, 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 20, 1990; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of July 16, 1990; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and 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 to Michael J. Brown t/a Specialty Limousine Service. authorizing him 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. MCS900081
NOVEMBER 6, 1990

APPLICATION OF
INTERNATIONAL LIMOUSINE SERVICE, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that International Limousine Service, Inc. ("Applicant"), filed a petition 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 27, 1990, 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, 1990; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of July 27, 1990; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and 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 to International Limousine Service, Inc., authorizing it 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. MCS900082
OCTOBER 26, 1990

APPLICATION OF
MARK O. MONROE
t/a MONROE LIMOUSINE SERVICE

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Mark O. Monroe, t/a Monroe Limousine Service ("Applicant") filed a petition 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 27, 1990, 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, 1990; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of July 27, 1990; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and the exhibits thereto and the report of the Staff is of the opinion and finds that:

(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 to Mark O. Monroe, t/a Monroe Limousine Service authorizing him 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. MCS900083
OCTOBER 29, 1990

APPLICATION OF
ATLANTIC LIMOUSINE, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Atlantic Limousine, Inc. ("Applicant"), filed a petition 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 27, 1990,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, 1990; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of July 27, 1990; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and 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 to Atlantic Limousine, Inc., authorizing it 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. MCS900087
NOVEMBER 6, 1990

APPLICATION OF
NATIONAL LIMOUSINE, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that National Limousine, Inc. ("Applicant"), filed a petition 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 8, 1990, 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 25, 1990; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of August 8, 1990; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and 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 to National Limousine, Inc., authorizing it 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. MCS900088
OCTOBER 18, 1990

APPLICATION OF
PIEDMONT TRANSPORTATION, INC.

For a certificate of public convenience and necessity as a petroleum tank truck carrier

FINAL ORDER

ON ANOTHER DAY, the Commission ordered that a public hearing be held before a hearing examiner on October 4, 1990, to receive evidence on this application for a certificate of public convenience and necessity as a petroleum tank truck carrier which would authorize the holder to transport petroleum products.

ON THE APPOINTED DAY, the application came on for hearing before Hearing Examiner Howard P. Anderson Jr. Charles M. Tenser, III, Esquire, appeared as counsel for the Applicant. Graham G. Ludwig, Jr., 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 theservice requested from points of origin in Stephens City, Chesapeake and Yorktown;

(2) There is no showing of public convenience or necessity for a point of origin in Lynchburg;

(3) The Applicant can and will comply with all provisions of law and the rules and regulations of the Commission; and

(4) 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 deemed not to be necessary.

UPON CONSIDERATION of the application and the Hearing Examiner's Report, the Commission is of the opinion and 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 certificate of public convenience and necessity as a petroleum tank truck carrier authorizing the holder thereof to transport petroleum products from points of origin in Stephens City, Chesapeake and Yorktown, Virginia to all points in Virginia, subject to the restriction that the service provided will be limited to transportation of petroleum products for the account of Chatham Oil Company be, and the same is hereby, granted.

CASE NO. MCS900089
NOVEMBER 19, 1990

APPLICATION OF
CHRISTOUDOULOU HADJICHRISTOUDOULOU, t/a CAPTAIN OF PENTAGO LIMOUSINE

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Christoudoulou hadjichristoudoulou t/a Captain of Pentagon Limousine ("Applicant") filed a petition 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 8, 1990, 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 25, 1990; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of August 8, 1990; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and the exhibits thereto and the report of the Staff is of the opinion and finds that:

(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 to Christoudoulou Hadjichristoudoulou t/a Captain of Pentagon Limousine authorizing it 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. MCS900090
NOVEMBER 6, 1990

APPLICATION OF
WYATT STORAGE CORPORATION, Transferor
and
ALEXANDER'S MOVING & STORAGE, EASTERN, INC., Transferee

To transfer certificate of public convenience and necessity as a household goods carrier No. HG-3

FINAL ORDER

ON ANOTHER DAY, the Commission ordered that a public hearing be held before a hearing examiner on October 18, 1990, to consider this application to transfer certificate of public convenience and necessity as a household goods carrier No. HG-3 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. Charles W. Hundley, Esquire, appeared as counsel for Applicants. 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 Transferee is fit, willing and able to provide the services required under the transfer of certificate No. HG-3;

(2) The Transferee 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 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 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 the transfer should be granted; accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner 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-3 be, and the same is hereby, granted.

CASE NO. MCS900093
DECEMBER 21, 1990

APPLICATION OF
ELITE LIMOUSINE SERVICE, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Elite Limousine Service, Inc. ("Applicant") filed a petition 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 15, 1990, 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, 1990; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of August 15, 1990; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and the exhibits thereto and the report of the Staff is of the opinion and finds that:

(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 to Elite Limousine Service, Inc.authorizing it 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. MCS900095
OCTOBER 18, 1990

APPLICATION OF
K&M TRAVEL AND TOURS, LTD.

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 October 2, 1990, to receive evidence on this application for a license to broker the transportation of passengers by motor vehicles from and to all points of Virginia;

ON THE APPOINTED DAY, the hearing was held before Senior Hearing Examiner Russell W. Cunningham. Raleigh Simmons, 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 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 Examiner's Report be, and the same are 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. MCS900096
DECEMBER 5, 1990

APPLICATION OF
GEORGE FAMILY GROUP, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that George Family Group, Inc. ("Applicant") filed a petition 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 23, 1990, 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 10, 1990; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of August 23, 1990; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and the exhibits thereto and the report of the Staff is of the opinion and finds that:

(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 to George Family Group, Inc. authorizing it 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. MCS900099
DECEMBER 3, 1990

APPLICATION OF
WILLIAM D. MATHIS

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that William D. Mathis ("Applicant") filed a petition 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, 1990,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 25, 1990; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of September 7, 1990; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and the exhibits thereto and the report of the Staff is of the opinion and finds that:

(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 to William D. Mathis, authorizing him 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. MCS900100
DECEMBER 11, 1990

APPLICATION OF
OLD MILL MANNER, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Old Mill Manner, Inc. ("Applicant") filed a petition 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 27, 1990, 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 23, 1990; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of September 27, 1990; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and the exhibits thereto and the report of the Staff is of the opinion and finds that:

(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 to Old Mill Manner, Inc. authorizing it 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. MCS900102
DECEMBER 3, 1990

APPLICATION OF
CLASSIC COACHES LIMOUSINE SERVICE, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Classic Coaches Limousine Service, Inc. ("Applicant") filed a petition 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 27, 1990,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 13, 1990; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of September 27, 1990; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and the exhibits thereto and the report of the Staff is of the opinion and finds that:

(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 to Classic Coaches Limousine Service, Inc., authorizing it 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. MCS900106
DECEMBER 11, 1990

APPLICATION OF
RAYMOND HARRY KINCAIDE, Transferor
and
SCHROCK SIGHTSEEING SERVICE, INC., Transferee

To transfer a portion of certificate of public convenience and necessity as a special or charter party carrier No. B-354

FINAL ORDER

ON ANOTHER DAY, the Commission ordered that a public hearing be held before a hearing examiner on November 13, 1990, to receive evidence on this application to transfer certificate of public convenience and necessity as a special or charter party carrier No. B-354 which would authorize the holder thereof to transport passengers for special or charter parties for motor vehicle.

ON THE APPOINTED DAY, the hearing was held before Hearing Examiner Howard P. Anderson, Jr. Jeffrey A. Vogelman, Esquire, appeared as counsel for the Applicants. Graham G. Ludwig, 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:

(1) That the Transferee is fit, willing and able to provide the services required under the transfer of certificate No. B-354;

(2) That the Transferee can and will comply with all provisions of law and the Rules and Regulations of the Commission;

(3) That portion of certificate No. B-354 has previously been transferred within Case No. MCS880006.

(4) 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 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 the transfer of certificate of public convenience and necessity as a special or charter party carrier No. HG-354 be, and the same is hereby, granted with the exception of the cities of Buena Vista and Lexington and county of Rockbridge as well as that portion which was transferred in Case No. MCS880006;

CASE NO. MCS900108
DECEMBER 19, 1990

APPLICATION OF
JAMES W. BASIL, SR. and MARGARET BASIL
t/a BASIL TRANS/LIMO

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that James W. Basil, Sr. and Margaret Basil, t/a Basil Trans/Limo ("Applicant") filed a petition 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 4, 1990, 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 22, 1990; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of October 4, 1990; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and the exhibits thereto and the report of the Staff is of the opinion and finds that:

(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 to James W. Basil, Sr. and Margaret Basil, t/a Basil Trans/Limo 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. MCS900109
DECEMBER 7, 1990

APPLICATION OF
PRESIDENTIAL LIMOUSINE SERVICE, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Presidential Limousine Service, Inc. ("Applicant") filed a petition 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 4, 1990, 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 22, 1990; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of October 4, 1990; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and the exhibits thereto and the report of the Staff is of the opinion and finds that:

(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 to Presidential Limousine Service, Inc.authorizing it 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. MCS900113
DECEMBER 7, 1990

APPLICATION OF
DEBORAH L. MOXLEY

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Deborah L. Moxley ("Applicant") filed a petition 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 18, 1990,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 6, 1990; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of October 18, 1990; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and the exhibits thereto and the report of the Staff is of the opinion and finds that:

(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 to Deborah L. Moxley authorizing her 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. MCS900114
DECEMBER 7, 1990

APPLICATION OF
WAGGONER LIMOUSINE SERVICE, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that Waggoner Limousine Service, Inc. ("Applicant") filed a petition 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 18, 1990,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 6, 1990; that the Applicant has complied with all requirements of public notice as set forth in the Commission's order of October 18, 1990; that no request for hearing was made nor were any comments or objections timely filed;

NOW THE COMMISSION, upon consideration of the application and the exhibits thereto and the report of the Staff is of the opinion and finds that:

(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 to Waggoner Limousine Service, Inc. authorizing it 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. MCS900130
DECEMBER 20, 1990

APPLICATION OF
BON AIR TRANSIT COMPANY
t/a VIRGINIA OVERLAND CHARTER SERVICE, Transferor
and
VIRGINIA COACH LINES, INC., Transferee

To transfer certificates of public convenience and necessity as a common carrier of passengers Nos. P-2582, P-2547 and P-2535

FINAL ORDER

ON ANOTHER DAY, the Commission ordered that a public hearing be held before a hearing examiner on December 20, 1990, to receive evidence on this application to transfer certificates of public convenience and necessity as a common carrier of passengers Nos. P-2582, P-2547 and P-2535, 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. Calvin F. Major, Esquire, appeared as counsel for the Applicants. 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:

(1) That the Transferee is fit, willing and able to provide services required under the transfer of certificates Nos. P-2582, P-2547 and P-2535;

(2) That the Transferee can and will comply with all provisions of law and the Rules and Regulations of the Commission.

(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 common carrier of passengers Nos. P-2582, P-2547 and P-2535 be, and the same is hereby, granted.

DIVISION OF PUBLIC SERVICE TAXATION

CASE NO. PST870014
MARCH 9, 1990

PETITION OF
LAKE MONTICELLO SERVICE COMPANY

For review of assessments for property taxation - Tax Year 1987, Tax Year 1988 and Tax Year 1989

FINAL ORDER

Before the Commission are Lake Monticello Service Company's (Lake Monticello) petitions for review and correction of our assessments of certain classes of real and tangible personal property for three tax years. By previous orders we consolidated the petitions and established a procedural schedule for hearing the consolidated petitions by a Hearing Examiner. Rather than proceed to hearing, however, Lake Monticello, Protestant Board of Supervisors of Fluvanna County (Fluvanna County), and the Commission Staff reached agreement on the contents of the record and offered a proposed settlement to the Hearing Examiner. In his report filed February 28, 1990, Hearing Examiner Glenn P. Richardson found that the proposed settlement was just and reasonable and that it should be accepted by the Commission.

The Commission has reviewed the record and considered the recommendations of the Hearing Examiner. The record upon which the parties and the Staff agreed provides a sufficient basis for disposition of the petitions. As a preliminary matter, the parties agreed that our assessment for tax year 1989 was overstated by the value of computer software included in Lake Monticello's report and the Commission's assessment. Computer software is defined by law as intangible property not subject to the Commission's authority to assess for taxation, and our assessment for tax year 1989 must be modified to exclude this property. Otherwise, the parties and Staff agree that our assessments of automobiles and furniture and miscellaneous equipment for the three tax years are not at issue.

With regard to the other classes of property, the parties and the Staff agree that the assessments made on the basis of original-cost-less-depreciation, except for land, do not reflect fair market value of the utility's property in 1987-1989. After considering the record, the Commission accepts the agreed values of various classes of property as the fair market value for Lake Monticello's property for the tax years at issue. Accordingly,

IT IS ORDERED:

(1) That the petitions of Lake Monticello for Review and Correction of Assessments of Property for Tax Years 1987, 1988, and 1989 be granted to the extent discussed above and otherwise denied;

(2) That the Commission's "STATEMENT SHOWING THE EQUALIZED ASSESSED VALUE AS OF THE BEGINNING OF THE FIRST DAY OF JANUARY, 1987 OF THE PROPERTY OF WATER CORPORATIONS IN THE COMMONWEALTH OF VIRGINIA AND STATE TAXES EXTENDED FOR THE YEAR 1987" be amended as follows:

LAKE MONTICELLO SERVICE COMPANY

Fluvanna County
All Districts

Page 11 (Printed Assessment) - Under column headed "Value of land and improvements thereon", strike out 892,974 and insert, in lieu thereof, 63,000.

- Under column headed "Value of machinery", strike out 2,589,926 and insert, in lieu thereof, -0-.

- Under column headed "Value of mains", strike out 2,941,117 and insert, in lieu thereof, -0-.

- Under column headed "Value of service and fire hydrants", strike out 32,734 and insert, in lieu thereof, -0-.

- Under column headed "Value of meters and other plant equipment", strike out 765,108 and insert, in lieu thereof, -0-.

- Under column headed "Total value of all property", strike out 7,263,883 and insert, in lieu thereof, 105,024.

(3) That the Commission's "STATEMENT SHOWING THE EQUALIZED ASSESSED VALUE AS OF THE BEGINNING OF THE FIRST DAY OF JANUARY, 1988 OF THE PROPERTY OF WATER CORPORATIONS IN THE COMMONWEALTH OF VIRGINIA AND THE STATE TAXES EXTENDED FOR THE YEAR 1988" be amended as follows:

LAKE MONTICELLO SERVICE COMPANY

Fluvanna County
All Districts

Page 12 (Printed Assessment) - Under column headed
"Value of land and improvements thereon", strike out 991,941 and insert, in lieu thereof, 63,000.

- Under column headed
"Value of machinery", strike out 2,876,809 and insert, in lieu thereof, -0-.

- Under column headed
"Value of mains", strike out 3,182,985 and insert, in lieu thereof, -0-.

- Under column headed
"Value of service and fire hydrants", strike out 58,075 and insert, in lieu thereof, -0-.

- Under column headed
"Value of meters and other plant equipment", strike out 830,634 and insert, in lieu thereof, -0-.

- Under column headed
"Total value of all property", strike out 8,030,866 and insert, in lieu thereof, 153,422.

(4) That the Commission's "STATEMENT SHOWING THE EQUALIZED ASSESSED VALUE AS OF THE BEGINNING OF THE FIRST DAY OF JANUARY, 1989 OF THE PROPERTY OF WATER CORPORATIONS IN THE COMMONWEALTH OF VIRGINIA AND THE STATE TAXES EXTENDED FOR THE YEAR 1989" be amended as follows:

LAKE MONTICELLO SERVICE COMPANY

Fluvanna County
All Districts

Page 12 (Printed Assessment) - Under column headed
"Value of land and improvements thereon", strike out 1,048,603 and insert, in lieu thereof, 165,196.

- Under column headed
"Value of machinery", strike out 2,848,073 and insert, in lieu thereof, -0-.

- Under column headed
"Value of furniture and fixtures and misc. equipment", strike out 96,470 and insert, in lieu thereof, 89,810.

- Under column headed
"Value of mains", strike out 2,915,824 and insert, in lieu thereof, -0-.

- Under column headed
"Value of service and fire hydrants", strike out 94,259 and insert, in lieu thereof, -0-.

- Under column headed
"Value of meters and other plant equipment", strike out 792,826 and insert, in lieu thereof, -0-.

- Under column headed
"Value of materials and supplies - plant under construction", strike out 23,125 and insert, in lieu thereof, 16,850.

- Under column headed
"Total value of all property", strike out 7,833,062 and insert, in lieu thereof, 285,738.

(5) That the Commission's Document Control Center send an attested copy of this order to the Honorable T. Kent Loving, Commissioner of the Revenue, County of Fluvanna, Palmyra, Virginia 22963;

(6) That this case be dismissed from the Commission's docket and that the papers herein be transferred to the files for ended matters.

CASE NO. PST900003
JULY 19, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
MIDDLE PENINSULA COMMUNICATIONS CORPORATION,
Defendant

JUDGMENT

This matter came before the Commission at a public hearing held July 17, 1990, in Richmond, Virginia. Middle Peninsula Communications Corporation did not appear at the hearing.

The Commission finds that Middle Peninsula Communications Corporation was properly served with process giving the time and location of the hearing. We further find that Middle Peninsula Communications Corporation is a telephone company doing business in Virginia and that it did not file on or before April 16, 1990, the annual report for taxation required by § 58.1-2628(A) of the Code. Accordingly,

IT IS ORDERED that, as provided by § 58.1-2610 of the Code, judgment in the amount of $9,200.00 be entered against Middle Peninsula Communications Corporation in favor of the Commonwealth.

IT IS FURTHER ORDERED that this judgment be paid within thirty days of the date of this order in accordance with the instructions set out in the statement attached to and made part of this judgment.

CASE NO. PST900005
DECEMBER 19, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CAVALIER TRANSPORTATION CO. INC.

DISMISSAL ORDER

This matter came before the Commission at a public hearing held on December 11, 1990, in Richmond, Virginia. Calvin F. Major, Esquire, appeared on behalf of Cavalier Transportation Co., Inc. (Cavalier).

The Commission finds that Cavalier was properly served with process giving the time and location of the hearing. We further find that, based on the stipulation of counsel, Cavalier was properly assessed and billed for State Rolling Stock Tax in the amount of $26,882.50 and for State Special Regulatory Revenue Tax in the amount of $4,729.73. We further find, based on the stipulated facts, that these taxes were not paid on or before June 1, 1990, and that the statutory penalties of $2,688.25 on the State Rolling Stock Tax due and $472.97 on the Special Regulatory Revenue Tax due were properly added. We further find that Cavalier paid taxes due of $31,612.23 and penalties due of $3,161.22 on December 11, 1990.

Upon consideration of Cavalier's payment of all outstanding rolling stock tax and penalty and special tax and penalty, the Commissioner finds that this Rule to Show Cause should be dismissed. Accordingly,

IT IS ORDERED that this rule against Cavalier Transportation Co., Inc. be dismissed.

DIVISION OF PUBLIC UTILITY ACCOUNTING

CASE NO. PUA890046
AUGUST 3, 1990

APPLICATION OF
CENTURY ROANOKE CELLULAR CORP.

For authority to guarantee a loan to its parent and to enter into an intercompany financing arrangement

ORDER GRANTING AUTHORITY

Century Roanoke Cellular Corp. ("Applicant", "Century Roanoke") has filed an application under the Public Utilities Affiliates Law and Public Utilities Securities Law for authority to guarantee a loan to its parent, Century Cellular Corp. ("Century Cellular"), and to enter into a line of credit agreement with Century Cellular. Applicant has paid the requisite fee of $250.

Century Cellular has entered into an agreement whereby it will borrow from Citibank, N.A., and certain other lenders (the "Banks"), an amount up to $250 million. As a condition to the Banks making advances under the line of credit agreement, Century Cellular is required to pledge as collateral, all of the shares of stock of its subsidiaries, including the stock of Century Roanoke. As a further condition to the Banks making advances under the line of credit, Century Cellular's subsidiary companies are required to enter into a Consolidated Guaranty and Pledge Agreement ("Guarantee Agreement") whereby they will guarantee the payment of Century Cellular's obligations to the Banks.

Century Roanoke proposes to enter into the Guarantee Agreement whereby it will guarantee payment of the debts owed by Century Cellular to the Banks. The maximum amount Century Roanoke will be liable for is the greater of (a) the total amount that Century Roanoke has borrowed from Century Cellular or (b) 95% of the net worth of Century Roanoke.

Century Roanoke also proposes to borrow up to $10 million from Century Cellular through an intercompany borrowing agreement. Company represents that the intercompany loan is contingent upon Century Roanoke guaranteeing the loan for its parent. The proceeds will be used to fund working capital requirements, cellular system construction and to pay interest expenses. The principal repayment for the lines of credit begins on September 1, 1993 and continues on a quarterly basis through June 1, 1999. The interest rate on the lines of credit will be either prime plus a margin of 0% to 1% or the London Interbank Offered Rate plus an applicable margin of 1% to 2%. The applicable margin will be determined by the ratio of Century Cellular's total debt to its earnings before interest, depreciation, amortization, and taxes for the previous six months, annualized.

THE COMMISSION, upon consideration of said application and representations of Applicant and having been advised by its Staff is of the opinion that approval of the Guarantee Agreement and intercompany financing agreement will not be detrimental to the public interest. However, the Commission does not feel that Century Roanoke should be liable for more than it has borrowed from Century Cellular under the line of credit proposed herein. Accordingly,

IT IS ORDERED:

1) That Applicant is authorized to enter into the Consolidated Guaranty and Pledge Agreement for the purposes and under the terms and conditions described in the application provided that the maximum amount Century Roanoke will be liable for is limited to the amount Century Roanoke has borrowed from Century Cellular under the line of credit approved herein;

2) That Applicant is authorized to enter into the line of credit agreement with Century Cellular for the purposes and under the terms and conditions as described 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 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; and

5) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA890048
MAY 14, 1990

APPLICATION OF
UNITED CITIES GAS COMPANY

For authority to issue long term debt

ORDER GRANTING AUTHORITY

United Cities Gas Company ("Applicant", "United Cities") has filed an application under the Public Utilities Securities Law requesting authority to issue and sell up to $20,000,000 of first mortgage bonds, series Q (the "Bonds"). Applicant has paid the requisite fee of $250.

United Cities proposes to issue the Bonds for the purposes of retiring short-term debt, increasing working capital, and for the construction, extension, improvement, and/or addition to facilities. The Bonds will mature in thirty (30) years and will have a stated interest rate of 9.75 percent per annum. The Bonds will be offered through a private placement.

THE COMMISSION upon consideration of said application and representations of Applicant, and having been advised by its Staff, is of the opinion that approval of the financing will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That United Cities Gas Company is authorized to issue and sell up to $20,000,000 in first mortgage bonds under the terms and conditions and for the purposes stated in the application; and

2) That this matter be continued to July 31, 1990, on or before which time Applicant shall file a report of action detailing the issuance of the Bonds, including the interest rate, maturity, expenses associated with the issuance, use of proceeds, and a balance sheet reflecting the action taken.

CASE NO. PUA890052
JANUARY 12, 1990

APPLICATION OF
COMMONWEALTH GAS PIPELINE CORPORATION

For approval of intercompany financing for 1990

ORDER GRANTING AUTHORITY

Commonwealth Gas Pipeline Corporation ("Applicant", "Pipeline") has filed an application with the Commission under the Public Utilities Securities Law and the Public Utilities Affiliates Law and has paid the requisite fee of $250.

Applicant requests authority to engage in the following financing arrangements with The Columbia Gas System, Inc. ("System"): 1) borrow from System an aggregate amount up to $13,000,000 and to fund such principal amounts thereof with the proceeds from the issuance and sale of Installment Promissory Notes ("Notes"); 2) borrow from System an aggregate amount up to $10,000,000 in the form of Short-Term Open Account Advances from System and/or other affiliated companies through the Intrasystem Money Pool; 3) issue 1,300,000 shares of its Common Stock ("Stock"), $10 par value, to the System; and 4) invest excess cash from time to time in the Intrasystem Money Pool. The proceeds from the issuances will be used by Applicant for its 1990 construction requirements, repayment of long-term debt, and gas prepayments.

THE COMMISSION, upon consideration of said application and subsequent representations of the Applicant and having been advised by its Staff, is of the opinion that approval of the above described financing, will not be detrimental to the public interest provided that the interest rate on the Installment Promissory Notes is based upon the effective cost of System's latest external financing, which was in the form of Medium Term Notes issued between September 1, 1989 and October 20, 1989. System's long-term effective interest rate was 9.47 percent per annum for this financing. The maximum rate on the Installment Promissory Notes to be issued by Applicant would be 9.47 percent per annum based upon the effective cost of issuance. Accordingly,

IT IS ORDERED:

1) That the Applicant is authorized:

(a) To borrow from the System an aggregate amount of up to $13,000,000 from the issuance and sale of Installment Promissory Notes;

(b) To borrow in the form of Short-Term Open Account Advances from System and/or other affiliated companies through the Intrasystem Money Pool an aggregate amount not to exceed $10,000,000 at any time through December 31, 1990;

(c) To invest excess cash from time to time in the Intrasystem Money Pool; and

(d) To issue 1,300,000 additional shares of its Common Stock, $10 par value, to the System;

all in the manner, under the terms and conditions, and for the purposes as set forth in the application;

2) That the rate to be paid on the Installment Promissory Notes shall not exceed 9.47 percent per annum which is the System's most recent effective cost of issuing long-term debt;

3) That if the System's effective cost of borrowing for long-term debt exceeds 9.47 percent per annum, then Applicant must request additional authority from this Commission to issue Installment Promissory Notes;

4) That authority for the issuance of Notes and advances from the Intrasystem Money Pool extends from the date of this Order through December 31, 1990;

5) That approval of the application has no implications for ratemaking purposes;

6) That future applications involving the issuance of securities shall substantiate that the interest rate on the securities is the lowest obtainable rate and that Applicant has contacted financial institutions to compare rates and financing options;

7) That approval of the application does not preclude the Commission from applying Sections 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, 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; and

9) That this matter be continued to May 1, 1991 for the presentation by Applicant, on or before said date, of a report of the action taken pursuant to the authority granted in this Order, such report shall include: the date the Notes were issued and the amount, the interest rate on the Notes, the date of maturity, the amounts advanced from the Intrasystem Money Pool, the date of the advances and the interest rate, a schedule of repayments, the amounts invested in the Intrasystem Money Pool, the interest rate on the investment, the total number of Common Stock shares issued to the System, and a balance sheet reflecting the action taken.

CASE NO. PUA890054
JANUARY 17, 1990

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 and its subsidiaries have a need for funds. Therefore, Company requests authority to lend to Telecommunications from time to time, for a three year period, ending December 31, 1992, up to a maximum outstanding amount of $2,000,000 at any one time. Such loans will be evidenced by notes of Telecommunications maturing no more 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 said application and having been advised by its Staff, is of the opinion that, due to the affiliated nature of the loan arrangement, approval for a one year term, ending December 31, 1990, will not be detrimental to the public interest and should be approved subject to the conditions and limitations as set forth below; accordingly,

IT IS ORDERED:

1) That the 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 except that the authority granted herein shall expire December 31, 1990;

2) That should the Company wish to continue the described arrangement after December 31, 1990, an application should be filed with the Commission for subsequent approval;

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; and

5) That this matter be continued until January 30, 1991, subject to Company filing with the Commission on or before this date, a report of action taken in accordance with the authority granted in this Order, 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 the Company showing date, amount, maturity, interest rate, and use of proceeds; and a balance sheet reflecting the action taken.

CASE NO. PUA890056
JANUARY 12, 1990

APPLICATION OF
NORTHERN NECK ELECTRIC COOPERATIVE

For approval of long-term borrowing

ORDER GRANTING AUTHORITY

Northern Neck Electric Cooperative ("Applicant" or "Company") has filed an application with the Commission under the Public Utilities Securities Law requesting authority to borrow funds from the National Rural Utilities Cooperative Finance Corporation ("CFC") and the Rural Electrification Administration ("REA").

Applicant proposes to borrow from REA and CFC, $2,800,000 and $1,237,113, respectively. The interest rate on the REA notes will be fixed at 5 percent per annum. The interest rate on the CFC note will be fixed also. The current fixed rate for standard long-term CFC loans is 9.5 percent per annum. The fixed rate will be adjusted at the end of seven years to reflect current market conditions. The rate is tied to CFC's actual cost of funds.

The proceeds from the issuance will be used for distribution and transmission facilities for the extension and improvement of Company's system to provide adequate service to existing and prospective members. Based on Company's 1989-1990 work plan, $4,273,292 is needed for distribution facilities and $948,500 is needed for additional transmission facilities.

THE COMMISSION, upon consideration of said application and having been advised by its Staff, is of the opinion that approval of the application will be in the public interest. Accordingly,

IT IS ORDERED:

1) That the Applicant is authorized to borrow funds from REA and CFC in the amounts, under the terms and conditions and for the purposes as stated in the application;

2) That should the Applicant elect a fixed interest rate on its CFC notes and desire to convert the CFC loan to a variable rate loan, the Applicant shall secure Commission approval for such conversion;

3) That the Applicant shall secure Commission approval for any changes in the method used for determining the interest rate on CFC notes as outlined in CFC's Long-Term Loan Program Handbook, reissued July 1985;

4) That, no later than thirty (30) days prior to the date of a change in CFC's fixed interest rate, the Company shall file with the Director of Accounting and Finance the new interest rate and the method for determining such rate; and

5) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA890058
FEBRUARY 20, 1990

APPLICATION OF
DELMARVA POWER AND LIGHT COMPANY

For authority to establish nuclear fuel financing

ORDER GRANTING AUTHORITY

Delmarva Power and Light Company ("Delmarva" or "Applicant") has filed an application under the Public Utilities Securities Law requesting authority to finance its interest in the Peach Bottom Nuclear Generating Station's ("Peach Bottom") nuclear fuel stock and future nuclear fuel purchases. Applicant has paid the requisite fee of $250.

Applicant jointly owns, as a tenant in common, Units 2 and 3 of the Peach Bottom Nuclear Generating Station located in York County, Pennsylvania. The other tenants in common are Philadelphia Electric Company ("PE"), Atlantic Electric Company, and Public Service Electric and Gas Company. The Peach Bottom units are operated by PE and have a combined summer capacity of 2,086 megawatts of which Delmarva is entitled to 157 megawatts or 7.51%.

On June 1, 1973, PE entered into a Nuclear Fuel Procurement Agreement with Mid-Atlantic Fuel Company ("Mid-Atlantic") whereby PE assigned all of its nuclear fuel procurement agreements to Mid-Atlantic and Mid-Atlantic further agreed to purchase all of the future nuclear fuel needs for Peach Bottom. PE also entered into a Nuclear Energy Contract ("Contract") with Mid-Atlantic whereby Mid-Atlantic agreed to pay the cost of the nuclear fuel at the time it was purchased. PE agreed to pay Mid-Atlantic a charge sufficient to amortize the nuclear fuel as it is consumed. The price PE pays under the Contract is based upon the original purchase cost plus a carrying charge. With the exception of PE, the other tenants in common are not parties to the Contract. Presently, PE bills each tenant for nuclear fuel based on their proportionate ownership interest in Peach Bottom. PE has decided to terminate the Contract with respect to the other tenants in common on or about March 31, 1990. After termination of the Contract, PE will be responsible for the procurement of nuclear fuel and providing nuclear fuel to Peach Bottom. However, each tenant in common will be responsible for paying for nuclear fuel upon purchase rather than when it is consumed.

Delmarva proposes to enter into a Nuclear Energy Contract with an non-affiliated third party for the purpose of financing the purchase of the existing nuclear fuel stock and all future nuclear fuel purchases for its 7.51% ownership interest in Peach Bottom. Lord Securities, as the management company, will create a special purpose corporation ("SPC") which will be responsible for the issuance of commercial paper as the primary financing medium for the nuclear fuel. First Chicago, as the agent bank, will establish a revolving credit facility which will be used to back up the SPC's issuance of commercial paper. The rate on the commercial paper issued by the SPC is anticipated to be based on Delmarva's commercial paper rating. Delmarva will be billed monthly by the SPC for an energy charge based on the BTU's generated during the month and interest expense on the unamortized balance of fuel in the reactor. The amount of financing, which will vary depending on inventory levels and cost, is not expected to exceed $36,000,000.

THE COMMISSION, upon consideration of said application and representations of Applicant and having been advised by its Staff, is of the opinion that approval of the above described financing is in the public interest. Accordingly;

IT IS ORDERED:

1) That Delmarva Power and Light Company is authorized to enter into a Nuclear Energy Contract for the purpose of financing existing nuclear fuel stock and future nuclear fuel purchases for its 7.51% ownership interest in the Peach Bottom Nuclear Generating Station, under the terms and conditions as set forth in the application;

2) That Applicant shall provide the Commission with a verified copy of the Nuclear Energy Contract upon execution, as well as, other financing documents executed in this matter;

3) That the special purpose corporation shall not be subject to the Commission's jurisdiction under Title 56 of the Code of Virginia as a public utility or public service company, by virtue of its participation in this transaction; and

4) That this matter be continued until April 1, 1991, for the presentation by Applicant, on or before said date, of a report of the action taken pursuant to the authority granted herein, such report to include a detailed accounting of the establishment of the proposed financing structure, the expenses incurred in connection therewith, the disposition of the proceeds received therefrom, and copies of the monthly summary report received from Lord Securities of all trades and fees incurred under the Nuclear Energy Contract, and a balance sheet reflecting the action taken.

CASE NO. PUA900001
FEBRUARY 20, 1990

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For authority to issue and sell up to $150 million in debt securities and up to 2,800,000 shares of common stock.

ORDER GRANTING AUTHORITY

On January 3, 1990, Washington Gas Light Company ("Applicant", "Company") filed its application under the Public Utilities Securities Act for authority to issue and sell up to $150 million in debt securities in the form of first mortgage bonds, debentures, medium-term notes ("MTN"), or other forms of debt, and to issue up to 2,500,000 shares of common stock through a public offering and up to 300,000 additional shares under the Company's Dividend Reinvestment and Common Stock Purchase Plan ("DRP") and other common stock plans. Applicant has paid the requisite fee of $250.

Applicant has filed or will file a shelf registration with the Securities and Exchange Commission ("SEC") pursuant to Rule 415 under the Securities Act of 1933, as amended. Debt securities issued may be sold in one or more public offerings under the SEC Requirements, or may be issued in a form not subject to SEC requirements such as a private placement or Eurodollar market offering, depending on capital market conditions at the time of issuance. The aggregate principal amount of new securities outstanding at any one time during the authorization period will not exceed $150 million, and the maturity date or dates of the securities will be neither less than one year nor more than thirty years. The effective cost of any issue of debt will be no more than 200 basis points above the current yield to maturity on U. S. Treasury securities of comparable maturities , as dictated in secondary markets on the date of issuance, excluding underwriter's compensation and other expenses.

Additionally, Company requests specific authority to replace maturing MTN's that are issued and mature during the two year authority. Company represents that MTN financings offer increased flexibility of offering size and duration, as well as the convenience of issuing smaller tailored offerings to finance specific needs. Such notes have maturities that can be extended up to 40 years, which bridges the gap between commercial paper and long-term bonds.

The precise date or dates of debt issue(s) will depend upon prevailing market and financial conditions, but Company currently anticipates the debt issues will take place as follows: $30 million in the second half of fiscal 1990; $50 million in the second half of 1991; and $70 million in the first half of 1992.

Common shares will be sold to the public through a syndicate of underwriters at a price based on the market price of Applicant's outstanding common stock at the time of offering. The net proceeds to Applicant will reflect the sales price, less costs of issuing and selling the stock. Depending on the stock price and terms at the time of offering, the Company plans to offer up to 2,500,000 shares in one or more offerings over fiscal years 1990 and 1991.

Additionally, Applicant plans to issue up to 300,000 additional shares under its DRP. Currently, 3,000,000 shares are authorized for the DRP by the Commission's Order dated March 18, 1988 in Case No. PUA880007. As of September 30, 1989, 2,205,844 shares have been sold leaving 794,156 shares available for issuance and sale. Company also plans to amend its existing DRP to expand eligibility to include Applicant's customers,

as well as current shareholders and employees. Under the amended DRP, customers would be able to make purchases of the Company's stock directly through Company.

Company represents that funds obtained from the proposed debt and common stock financing will be used for three basic purposes:

1) for maturing long-term debt and the satisfaction of sinking fund requirements ($22.2 million for fiscal 1990 and 1991);

2) the possible refunding of all or part of its $16.2 million Series 9-3/8% bonds due April 1, 1999 and the possible refunding of other high coupon long-term debt as market conditions permit; and

3) for the purchase, acquisition and construction of additional properties and facilities, as well as the funding of increased working capital requirements. ($190.8 million for fiscal 1990 and 1991).

THE COMMISSION, upon consideration of said application and having been advised by its Staff, is of the opinion and finds that approval of the above described long-term debt and common stock financing will be in the public interest; Accordingly,

IT IS ORDERED:

1) That Applicant is authorized to issue and sell up to $150 million in debt securities in the form of first mortgage bonds, debentures, medium term notes, or other forms of debt within a two (2) year time period from the date of this Order, provided that the effective cost on any series shall not exceed 200 basis points above the current yield to maturity on U. S. Treasury securities of comparable maturities, as dictated in secondary markets on the date of issuance, excluding underwriter's compensation and other expenses, all in the manner, for the purposes and under the terms and conditions set forth in the application;

2) That Applicant is authorized to reissue up to the amount of any debt securities that are issued and mature during the authority granted in this Order;

3) That Applicant is authorized to issue and sell up to 2.5 million shares of common stock through a public offering and issue up to 300,000 additional shares under Company's Dividend Reinvestment and Common Stock Purchase Plan ("DRP") and other common stock plans, as well as to expand eligibility of its DRP to include customers of Applicant;

4) That, within ninety (90) days of this Order, Applicant shall file a copy of the amended DRP;

5) That, within thirty (30) days of an issue of debt securities or public offering of common shares, Applicant shall file a copy of the SEC registration statement, a copy of the basic prospectus filed with the SEC, a copy of any other filings made in conjunction with the issue(s), and a copy of the governing trust indenture (or supplemental indenture) in its final form;

6) That Applicant shall submit a preliminary report within seven (7) days after the issuance of any debt security or public issue of common stock issued pursuant to this Order, which shall provide the date and amount of the issue, sales price, net proceeds and an explanation for the timing of the issue; and for any debt security the interest rate thereon and the secondary market yield to maturity on recently issued, comparable U.S. Treasury securities (or interpolated yield to maturity if there is no comparable U.S. Treasury security) at the time of the borrowing;

7) That if a debt issue is denominated in a non-U.S. currency, Applicant shall submit the U.S. denominated rate and demonstrate that the overall cost of borrowing was lower;

8) That within sixty (60) days after the end of each calendar quarter in which any debt security or public issue of common stock are issued pursuant to this Order, Applicant shall file a more detailed report with respect to all issues (if any) sold during said calendar quarter, which shall provide:

a. The date and amount of the issue(s), the sales price(s), the net proceeds to Applicant, and for debt securities the interest rate thereon and the secondary market yield to maturity on recently issued, comparable U.S. Treasury securities (or interpolated yield to maturity) at the time each such issue was sold, date of maturity;

b. The actual issuance expenses, including:

i. a copy of all contracts, underwritings and other agreements for the sale or marketing of the issue(s),

ii. agent's fees along with the name of the agent selling each issue(s), and

iii. any affiliation, direct or indirect, through directors, stockholders or ownership of securities between Applicant and the agent;

c. Change in capital structure due to issue;

d. Change in return on equity due to issue;

e. A revised balance sheet including the new issue;

f. A copy of each prospectus supplement filed with the SEC, as well as any other regulatory statements filed in connection with the common shares or debt securities sold; and

g. A statement showing the purposes for which the net proceeds were used:

i. if the purpose is the construction, completion, extension or improvement of facilities - a description of such facilities with the costs detailed,

ii. if the purpose is the reimbursement of the treasury for expenditures against which securities have not been issued - a statement must include the details of the expenditures, the accounts to which the expenditures were charged, and the time periods during which they were made, and

iii. if the purpose is the refunding of obligations - a description of the obligations including the principal amounts, discount or premium applicable, the date of issue and maturity;

9) That Applicant shall respond promptly and fully to any Staff requests for information in connection with the financing program; and

10) That this matter be continued to February 14, 1992, subject to the continuing review, audit and appropriate directive of this Commission.

CASE NO. PUA900001
APRIL 27, 1990

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For authority to issue and sell up to $150 million in debt securities and up to 2,800,000 shares of common stock.

AMENDING ORDER

IT APPEARING to the State Corporation Commission that by Order dated February 20, 1990, Washington Gas Light Company ("Applicant") was granted authority to issue and sell up to $150 million in debt securities and up to 2,800,000 shares of common stock; and

IT NOW APPEARING to the Commission that, taking into consideration recent developments and in the interest of clarity, ordering paragraphs one (1), three (3) and four (4) of the aforementioned Order should be amended to reflect unforeseen time delays and to include specific language as to the nature of the issuances; Accordingly,

IT IS ORDERED:

(1) That ordering paragraph one (1) of the February 20, 1990 Order Granting Authority be, and the same is hereby, amended to read as follows:

1. That Applicant is authorized to issue and sell up to $150 million in debt securities in the form of first mortgage bonds, debentures, medium term notes, or other forms of debt, including debt securities which may be convertible into common stock, within a two (2) year time period from the date of effectiveness of all necessary regulatory approvals, including that of the Securities and Exchange Commission, if required, provided that the effective cost on any series shall not exceed 200 basis points above the current yield to maturity on U. S. Treasury securities of comparable maturities, as dictated in secondary markets on the date of issuance, excluding underwriter's compensation and other expenses, all in the manner, for the purposes and under the terms and conditions set forth in the application;

(2) That ordering paragraph three (3) of the February 20, 1990 Order Granting Authority be, and the same is hereby, amended to read as follows:

3. That Applicant is authorized to issue and sell up to 2.5 million shares of common stock through one or more public offerings and through conversion of any convertible debt security issued pursuant to this Order and issue up to 300,000 additional shares under Company's Dividend Reinvestment and Common Stock Purchase Plan ("DRP") and other common stock plans, as well as to expand eligibility of its DRP to include customers of Applicant;

(3) That ordering paragraph four (4) of the February 20, 1990 Order Granting Authority be, and the same is hereby, amended to read as follows:

4. That, within thirty (30) days of the DRP becoming effective with the SEC, Applicant shall file a copy of the amended DRP; and

(4) That all other provisions of the February 20, 1990 Order shall remain in full force and effect.

CASE NO. PUA900002
JANUARY 17, 1990

APPLICATION OF
NORTHERN VIRGINIA ELECTRIC COOPERATIVE

For authority to increase short-term indebtedness with National Rural Utilities Cooperative Finance Corporation

ORDER GRANTING AUTHORITY

Northern Virginia Electric Cooperative ("Applicant" or "Cooperative") has filed under the Public Utilities Securities Law and has paid the requisite fee of $250. In its application, Applicant requests authority to increase its short-term indebtedness with National Rural Utilities Cooperative Finance Corporation ("CFC").

Applicant proposes to increase its line of credit with CFC from $15 million to a total amount of $30 million. The Cooperative will be able to borrow up to $30 million but will have to annually pay the outstanding balance under the line of credit and execute a new promissory note thereafter. The line of credit is for a sixty (60) month term. The increase in funds is needed due to the extensive construction program required to accommodate Applicant's rapid growth. The funds advanced under the line of credit will be used for short-term cash flow purposes. Cooperative states that the operating contingencies and expenses associated with its new construction necessitate the availability of the $30 million in short-term funding through CFC.

THE COMMISSION, upon consideration of said application and representations of Applicant and having been advised by its Staff, is of the opinion that approval of the proposed financing will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is authorized to increase its line of credit with CFC to a total amount of $30 million, for a period of sixty (60) months from the date of this Order;

2) That Applicant may borrow funds under the line of credit for the purposes and under the terms and conditions as stated in the application;

3) That this matter be continued until January 31, 1991, for the presentation by Applicant, on or before such date, of a report of the action taken pursuant to the authority granted herein, such report shall contain a schedule of all advances and prepayments with corresponding interest rates and a balance sheet reflecting the action taken; and

4) That this matter shall remain under the continuing review, audit and appropriate directive of this Commission, for the duration of the line of credit with CFC.

CASE NO. PUA900004
FEBRUARY 8, 1990

JOINT APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY
and
NORTHERN NECK ELECTRIC COOPERATIVE

For authority to transfer utility assets

ORDER GRANTING AUTHORITY

Virginia Electric and Power Company ("VEPCO") and Northern Neck Electric Cooperative ("the Cooperative") have filed as joint applicants ("Applicants") under the Utility Transfers Act requesting authority to transfer VEPCO's Garner Substation (the "Substation") to the Cooperative.

VEPCO has agreed to sell and convey, and the Cooperative has agreed to purchase and acquire the Substation located in the Cooperative's assigned service territory. The Substation serves as a delivery point to the Cooperative and services no other VEPCO customers. The purchase price of $41,966 for the Substation is equal to the net book value as determined by VEPCO.

Vepco states in the application that the sale and conveyance of the Substation will neither impair nor jeopardize adequate service to the public at just and reasonable rates and that the sale is in the public interest.

THE COMMISSION, upon consideration of said application and having been advised by its Staff, is of the opinion that the propose transfer of the Garner Substation as specified in the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Virginia Electric and Power Company is authorized to execute a Bill of Sale for the transfer of the Garner Substation and Northern Neck Electric Cooperative is authorized to purchase the Garner Substation under the terms and conditions as specified in the application; and

2) That this case shall be continued until March 30, 1990, for the presentation by Applicants, on or before such date, of a report of action taken pursuant to the authority granted, such report shall include a schedule of the accounting entries recording the sale and purchase and balance sheets reflecting the action taken.

CASE NO. PUA900005
MARCH 5, 1990

APPLICATION OF
THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY OF VIRGINIA

For authority to issue long-term indebtedness

ORDER GRANTING AUTHORITY

On January 16, 1990, The Chesapeake and Potomac Telephone Company of Virginia ("Applicant", "Company") filed an application under the Public Utilities Securities Act for authority to issue debt securities in a total principal amount of up to $400,000,000. Applicant has paid the requisite fee of $250.

Applicant has filed or will file a shelf registration for $400 million principal amount with the Securities and Exchange Commission ("SEC") pursuant to Rule 415 under the Securities Act of 1933, as amended. Company proposes to issue these debt securities in one or more series at such time or times within a two year period following the effective date of a registration statement filed with the SEC. The precise date or dates of issue will depend upon prevailing market and financial conditions.

Applicant plans to issue one or more series of debt securities in a principal amount not exceeding $100,000,000 for the purposes of refinancing a portion of its short-term debt obligations and for the construction, completion or improvement of facilities and for the improvement or maintenance of service.

Applicant plans to issue the remaining $300,000,000 on the shelf registration if it becomes economically beneficial to refinance two long-term debt issues, $200 million, 40 year debentures at 9 1/2% and $100 million, 40 year debentures at 9 1/4%, at a lower cost. Company desires to have the necessary authority to take advantage of that possibility, should it arise.

Applicant further represents that the debt securities will either consist of long-term debentures maturing within a period not to exceed forty (40) years or notes maturing within a period not less than one (1) year or more than ten (10) years, or a combination thereof. Interest is to be paid semi-annually at a fixed rate which will be determined by market conditions prevailing at the time of the sale or sales. The securities, either debentures or notes, will bear an interest rate not to exceed 2.5% (250 basis points) above the current yield of recently issued U.S. Treasury Securities of comparable maturity trading in the secondary market. The debt securities will be sold, depending on market conditions, at competitive bidding, negotiated sale or by private placement.

THE COMMISSION, upon consideration of said application, and representations of Applicant and having been advised by its Staff, is of the opinion that approval of the above described long-term financing will be in the public interest; Accordingly,

IT IS ORDERED:

1) That Applicant is authorized to issue and sell an aggregate principal amount of $400,000,000 of long-term debt in the form of debentures or notes, all in the manner, for the purposes and under the terms and conditions set forth in the application;

2) That Applicant is authorized to amortize the costs associated with refinancing the two debt issues over the life of the new debt;

3) That the interest rate on the new debt securities shall not exceed 250 basis points above the yield to maturity on comparable U.S. Treasury Securities, as indicated in the secondary market, on the issuance date, excluding underwriters' compensation and other expenses incurred solely for the purpose of issuing the securities;

4) That, on or before April 31, 1990, the Applicant shall file a copy of the SEC registration statement, a copy of the basic prospectus filed with the SEC, a copy of any other filings made in conjunction with the long-term debt program, and a copy of the supplemental indenture in its final form;

5) That the Applicant shall submit a preliminary report within seven (7) days after the issuance of any note or debenture issued pursuant to this Order, which shall provide the date and amount of the borrowing, the interest rate thereon, the current yield to maturity on recently issued, comparable U.S. Treasury securities (or interpolated yield to maturity if there is no comparable U.S. Treasury security), as indicated in the secondary market, at the time of the borrowing, and an explanation for the timing of the issue and the type of security issued;

6) That within sixty (60) days after the end of each calendar quarter in which any note(s) or debenture(s) is issued pursuant to this Order, the Applicant shall file a more detailed report with respect to all borrowings (if any) sold during said calendar quarter, which shall provide:

a. The date and amount of the issue, interest rate, comparable U.S. Treasury yield to maturity (or interpolated yield to maturity) at the time each such issue was sold, date of maturity, and net proceeds to the Applicant;

b. The actual issuance expenses, including:

i. a copy of all contracts, underwritings and other agreements for the sale or marketing of the issue(s),

ii. agent's fees along with the name of the agent selling each issue(s), and

iii. any affiliation, direct or indirect, through directors, stockholders or ownership of securities between the Applicant and the agent;

c. Change in capital structure due to issue;

d. Change in return on equity due to issue;

e. A revised balance sheet including the new issue;

f. A copy of each prospectus supplement filed with the SEC as well as any other regulatory statements filed in connection with the notes or debentures sold; and

g. A statement showing the purposes for which the notes or debentures were issued:

i. if the purpose is the construction, completion, extension or improvement of facilities - a description of such facilities with the costs detailed,

ii. if the purpose is the reimbursement of the treasury for expenditures against which securities have not been issued - a statement must include the details of the expenditures, the accounts to which the expenditures were charged, and the time periods during which they were made, or

iii. if the purpose is the refunding of obligations - a description of the obligations including the principal amounts, discount or premium applicable, the date of issue and maturity; and

7) That this matter be continued to April 30, 1992, subject to the continuing review, audit and appropriate directive of this Commission.

CASE NO. PUA900006
FEBRUARY 14, 1990

APPLICATION OF
COMMONWEALTH GAS SERVICES, INC.

For approval of intercompany financing for 1990

ORDER GRANTING AUTHORITY

Commonwealth Gas Services, Inc. ("Applicant", "Services") has filed an application with the Commission under the Public Utilities Securities Law and the Public Utilities Affiliates Law and has paid the requisite fee of $250.

Applicant requests authority to engage in the following financing arrangements with The Columbia Gas System, Inc. ("System"): 1) borrow from System an aggregate amount up to $10,900,000 and to fund such principal amounts thereof with the proceeds from the issuance and sale of Installment Promissory Notes ("Notes"); 2) borrow from System an aggregate amount up to $40,000,000 in the form of Short-Term Open Account Advances from System and/or other affiliated companies through the Intrasystem Money Pool; and 3) invest excess cash from time to time in the Intrasystem Money Pool. The proceeds from the issuances will be used by Applicant for its 1990 construction requirements, repayment of long-term debt, and gas prepayments.

THE COMMISSION, upon consideration of said application and subsequent representations of the Applicant and having been advised by its Staff, is of the opinion that approval of the above described financing, will not be detrimental to the public interest provided that the interest rate on the Installment Promissory Notes is based upon the effective cost of System's 9.47% Debentures issued in the form of Medium Term Notes. The maximum rate on the Installment Promissory Notes to be issued by Applicant would be 9.47% based upon the effective cost of issuance. Accordingly,

IT IS ORDERED:

(1) That the Applicant is authorized:

(a) To borrow from the System an aggregate amount of up to $10,900,000 from the issuance and sale of Installment Promissory Notes;

(b) To borrow in the form of Short-Term Open Account Advances from System and/or other affiliated companies through the Intrasystem Money Pool an aggregate amount not to exceed $40,000,000 at any time through December 31, 1990; and

(c) To invest excess cash from time to time in the Intrasystem Money Pool;

all in the manner, under the terms and conditions, and for the purposes as set forth in the application;

2) That the rate to be paid on the Installment Promissory Notes shall not exceed 9.47% which is the System's most recent effective cost of issuing long-term debt;

3) That if the System's effective cost of borrowing for long-term debt exceeds 9.47%, then Applicant must request additional authority from this Commission to issue Installment Promissory Notes;

(4) That authority for the issuance of Notes and advances from the Intrasystem Money Pool extends from the date of this Order through December 31, 1990;

(5) That approval of the application has no implications for ratemaking purposes;

(6) That future applications involving the issuance of securities shall substantiate that the interest rate on the securities is the lowest obtainable rate and that Applicant has contacted financial institutions to compare rates and financing options;

(7) That approval of the application does not preclude the Commission from applying Sections 56-78 and 56-80 of the Code of Virginia hereafter; and

(8) That this matter be continued to May 1, 1991 for the presentation by Applicant, on or before said date, of a report of the action taken pursuant to the authority granted in this Order, such report shall include: the date the Notes were issued and the amount, the interest rate on the Notes, the date of maturity, the amounts advanced from the Intrasystem Money Pool, the date of the advances and the interest rate, a schedule of repayments, the amounts invested in the Intrasystem Money Pool, the interest rate on the investment, the total number of Common Stock shares issued to the System, and a balance sheet reflecting the action taken.

CASE NO. PUA900007
MAY 9, 1990

APPLICATION OF
NEW CASTLE TELEPHONE COMPANY

For authority to enter into financing and assignment agreement and other affiliated arrangements.

ORDER GRANTING AUTHORITY

New Castle Telephone Company ("New Castle Telephone", "Applicant") has filed an application under the Public Utilities Securities Law and Public Utilities Affiliates Law for authority to enter into assignment and financing agreements as well as other affiliated arrangements. Applicant has paid the requisite fee of $250.

Contel of Virginia ("Contel") and Telephone and Data Systems, Inc. ("TDS") have entered into an agreement (the "Agreement") whereby TDS will acquire the rights to purchase the telephone assets used to service the New Castle and Paint Bank exchanges ("the Exchanges") for $1,931,327. Subsequent to the Agreement, TDS and New Castle Telephone have entered into an agreement whereby TDS will assign its rights to purchase the Exchanges to New Castle Telephone, its subsidiary.

TDS proposes to arrange for the funds necessary for New Castle Telephone to acquire the assets and to operate the new telephone company to be provided through its subsidiaries. Under the proposed finance agreements, Telecommunications Technology Fund, Inc. will loan to New Castle Telephone, on a yearly renewable basis, $1,115,664. The loan amount represents one-half of the purchase price plus $150,000 to be used to meet New Castle Telephone's working capital needs. The interest rate will be equal to the prime rate of LaSalle National Bank, Chicago Illinois, plus 1/2 percent per annum.

The remainder of the purchase price will be provide by TDS Telecommunications Corporation in the form of common equity. TDS Telecommunications Corporation, will buy 1,000 shares of New Castle Telephone common stock for the sum of $965,664.

TDS also proposes to arrange for consulting and computing services to be provided to New Castle Telephone through TDS subsidiaries. Under the proposed service contract between New Castle Telephone and TDS Computing Services, Inc. ("TDS Computing"), TDS Computing will provide, at the request of New Castle Telephone, computing services which will include payroll functions, financial and plant printout reports, customer billing functions and a complete mailing service as well as various other services outlined in the service contract. The cost of service rendered under the proposed agreement will be charged directly to Applicant on the following bases: time sheets maintained by officers and employees of TDS Computing showing the elapsed time for labor and equipment usage and nature of the services rendered, expense vouchers describing the expenditure in reasonable detail, and invoices or documentary evidence which shall describe the particular service in reasonable detail. When services are performed for two or more companies TDS Computing proposes to allocate the cost based on one or more of the following: number of telephones or subscribers, a cost per line printed or per transaction, a cost per document printed, or a ratio of user's revenues or expenses. TDS Computing also proposes to bill New Castle Telephone a return on investment somewhere between 16 percent to 20 percent.

Under the service contract between New Castle Telephone and Telephone Systems Service Division ("Telephone Systems"), Telephone Systems proposes to provide consulting services to New Castle Telephone which will include advice on insurance and pension plans for employees; certain personnel services such as job evaluating, recruiting and employment; technical assistance in areas of plant and engineering practices; and various other services detailed in the service contract. Telephone Systems proposes to bill New Castle Telephone for the costs directly assignable in providing the services under this agreement. When the services are performed for two or more companies, the costs will be allocated to the companies based on the ratio of each company's number of main stations to the total number of main stations of all the companies receiving the services. Under this agreement, Telephone Systems proposes to bill a return on invested capital of 19.58% to New Castle Telephone for the services provided.

THE COMMISSION, upon consideration of said application and representations of Applicant and having been advised by its Staff, is of the opinion that approval of the assignment agreement, financing arrangements and service agreements as described in the application will not be detrimental to the public interest. However, the Commission is of the further opinion that the return components proposed in the application are excessive and that a more appropriate return component to be charged to New Castle Telephone would be 14%. Accordingly,

IT IS ORDERED:

1) That Applicant is authorized to enter into the financing and assignment agreements with TDS and TDS Telecommunications Corporation and the financing agreement with Telecommunications Technology Fund, Inc. under the terms and conditions as described in the application;

2) That Applicant is authorized to enter into the service agreements with TDS Computing and Telephone Systems as described in the application with the stipulation that all billings to Applicant containing a return component exceeding 14 percent must be adjusted quarterly to reflect a maximum return component of 14%;

3) That all other authorizations or approvals necessary or appropriate for the consummation of the transactions contemplated in the Acquisition Agreement and the other agreements attached to the application are granted;

4) That the authorization granted herein is subject to the Commission issuing a Certificate of Public Convenience and Necessity authorizing New Castle Telephone to serve the territory now served by Contel;

5) That the Applicant shall secure Commission approval for any change in the agreement or the allocation methods and procedures as described herein;

6) That Applicant shall respond promptly and fully to any Staff requests for information in connection with the authority granted herein;

7) 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;

8) 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;

9) That on or before July 31, 1990, Applicant shall file a report of action taken pursuant to the authority granted in this Order; and

10) That this matter be continued until December 31, 1990 for presentation by Applicant, on or before such a date, of a study to be conducted by New Castle Telephone, outlining the benefits to the ratepayer of using an allocator based on number of main stations as opposed to a formula based allocator that takes into account revenues, assets, and investments.

CASE NO. PUA900007
DECEMBER 21, 1990

APPLICATION OF
NEW CASTLE TELEPHONE COMPANY

For authority to enter into financing and assignment agreement and other affiliated arrangements

AMENDING ORDER

By Commission Order dated May 9, 1990, New Castle Telephone Company ("Company", "Applicant") was granted authority to enter into financing and assignment agreements with Telephone and Data Systems, Inc. ("TDS") and TDS Telecommunications Corporation ("TDSTC") and a financing agreement with Telecommunications Technology Fund, Inc. ("TTF"). The Commission's Order also granted Applicant authority to enter into service agreements with TDS Computing Services, Inc. ("TDS Computing") and Telephone Systems Service Division ("Service Division") with the stipulation that any billings to Company containing a return component exceeding fourteen percent (14%) must be adjusted quarterly to reflect a maximum return component of fourteen percent (14%).

On November 20, 1990, Applicant filed amendment to the service agreement with Service Division approved in the May 9, 1990. Order. Under the proposed amendment, TDSTC, a new subsidiary of the TDS systems, would provide some services to Applicant that were formerly provided directly by TDS. As described in the amendment, TDS has formed a new corporation, TDSTC, for the purposes of serving as an entity to hold all of the stock of local telephone companies formerly held by TDS directly, and therefore, segregating such telephone companies from the other enterprises of TDS more effectively than was previously possible.

The amendment also states that TDS is in the process of transferring to TDSTC all of the stock in local telephone companies which it has, and further transferring to TDSTC all of the Service Division employees who are engaged in providing services to such telephone companies at the TDS Madison office.

According to the amendment, TDS would continue to render general corporate services from its Chicago and Madison offices of the general nature which are rendered to all of its business operations, cellular, paging, and local telephone companies. Such services would be detemined and allocated to Applicant as they have been in the past without change. TDS would transfer its share ownership in Company to TDSTC, along with its ownership share in all other telephone companies, and would transfer to TDSTC those employees who have been previously

employed full time in providing services to these telephone companies. TDSTC would thus provide those services to Applicant formerly provided directly by TDS and shown by the monthly bills as "TSSD" services. Those services would be generally described as administrative, plant operations, customer services, marketing, revenue requirements, telephone controller services, and REA-related services. All charges would be determined and allocated to Applicant as they have in the past except that TDSTC would be the entity providing such services and receiving payment for same.

THE COMMISSION, upon consideration of said amendment and representations of Applicant and having been advised by its Staff, is of the opinion that the proposed amendment to the service agreement between Applicant and Telephone Systems Service Division would not be detrimental to the public interest and should be approved. Accordingly,

IT IS ORDERED:

(1) That ordering paragraph (2) of the Commission's May 9, 1990, Order be changed to read as follows:

> (2) That Applicant is authorized to enter into the service agreements with TDS Computing, TDS and TDSTC as described in the application and the November 20, 1990, amendment with the stipulation that any billings to Applicant containing a return component exceeding fourteen percent (14%) must be adjusted quarterly to reflect a maximum return component of fourteen percent (14%); and

(2) That all other provisions of the May 9, 1990, Order shall remain in full force and effect.

CASE NO. PUA900008
FEBRUARY 20, 1990

APPLICATION OF
THE POTOMAC EDISON COMPANY

For authority to issue first mortgage bonds

ORDER GRANTING AUTHORITY

On January 26, 1990, The Potomac Edison Company ("Applicant", "Company") filed its application under the Public Utilities Securities Act for authority to issue first mortgage bonds (the "Bonds") in a total principal amount of up to eighty million dollars ($80,000,000). Applicant has paid the requisite fee of $250.

Applicant has filed or will file a shelf registration for $80 million principal amount with the Securities and Exchange Commission ("SEC") pursuant to Rule 415 under the Securities Act of 1933, as amended. Company proposes to issue the Bonds in one or more series at such time or times before December 31, 1990. The precise date or dates of issue will depend upon prevailing market and financial conditions, but Company currently anticipates the issue will take place on March 15, 1990.

Applicant represents that the use of proceeds from the sale of the Bonds will be to pay or prepay short-short-term debt incurred for construction purposes and for the acquisition of property and the construction of facilities to be used in the public service.

Applicant further represents that the Bonds will be issued in one or more new series, each such series to have a single maturity of not less than five (5) and not more than thirty (30) years. Interest is anticipated to be paid semi-annually at a fixed rate which will be determined by market conditions prevailing at the time of the sale or sales. The price to Company will be no less than 98% of the principal amount, and the Bonds will bear an interest rate not to exceed 11.0%. The Bonds will be issued under and secured, together with Applicant's presently outstanding bonds, by the Indenture of October 1, 1944, and as to be further supplemented by a Supplemental Indenture to be dated as of the date the bonds are issued. The debt securities will be sold, depending on market conditions, at competitive bidding, or by negotiated sale, or by private placement.

Applicant anticipates the rating for the new issue to be based upon the present rating of its existing long-term debt, which is "AA-" by Standard and Poor's, "Aa3" by Moody's and "AA-" by Fitch. The underwriters or agents for the debt securities have not yet been determined. Underwriting costs are estimated to be $517,600, reflecting generally prevailing cost levels of 0.65% of the principal amount of the issue. Other expenses of the issuance are estimated at $230,000.

THE COMMISSION, upon consideration of said application and having been advised by its Staff, is of the opinion and finds that approval of the above described long-term financing will be in the public interest. In addition, the Commission is of the opinion that this application be authorized for a period of two years (24 months) from the date of this Order; Accordingly,

IT IS ORDERED:

1) That Applicant is authorized to issue and sell its First Mortgage Bonds in an aggregate principal amount not to exceed $80 million within a two (2) year time period for the date of this Order, provided that the interest rate on any series shall not exceed 11.0%, all in the manner, for the purposes and under the terms and conditions set forth in the application;

2) That, on or before March 31, 1990, Applicant shall file a copy of the SEC registration statement, a copy of the basic prospectus filed with the SEC, a copy of any other filings made in conjunction with the long-term debt program, and a copy of the governing trust indenture (or supplemental indenture) in its final form;

3) That Applicant shall submit a preliminary report within seven (7) days after the issuance of any Bond issued pursuant to this Order, which shall provide the date and amount of the borrowing, the interest rate thereon, the current yield to maturity on recently issued, comparable

U.S. Treasury securities (or interpolated yield to maturity if there is no comparable U.S. Treasury security) at the time of the borrowing, and an explanation for the timing of the issue;

4) That within sixty (60) days after the end of each calendar quarter in which any Bonds are issued pursuant to this Order, Applicant shall file a more detailed report with respect to all borrowings (if any) sold during said calendar quarter, which shall provide:

a. The date and amount of the issue, interest rate, comparable U.S. Treasury yield to maturity (or interpolated yield to maturity) at the time each such issue was sold, date of maturity, and net proceeds to Applicant;

b. The actual issuance expenses, including:

i. a copy of all contracts, underwritings and other agreements for the sale or marketing of the issue(s),

ii. agent's fees along with the name of the agent selling each issue(s), and

iii. any affiliation, direct or indirect, through directors, stockholders or ownership of securities between Applicant and the agent;

c. Change in capital structure due to issue;

d. Change in return on equity due to issue;

e. A revised balance sheet including the new issue;

f. A copy of each prospectus supplement filed with the SEC as well as any other regulatory statements filed in connection with the notes or debentures sold; and

g. A statement showing the purposes for which the notes or debentures were issued:

i. if the purpose is the construction, completion, extension or improvement of facilities - a description of such facilities with the costs detailed,

ii. if the purpose is the reimbursement of the treasury for expenditures against which securities have not been issued - a statement must include the details of the expenditures, the accounts to which the expenditures were charged, and the time periods during which they were made.

5) That Applicant shall respond promptly and fully to any Staff requests for information in connection with the long-term financing program; and

6) That this matter be continued to February 7, 1992, subject to the continuing review, audit and appropriate directive of this Commission.

CASE NO. PUA900009
FEBRUARY 13, 1990

APPLICATION OF
COMMUNITY ELECTRIC COOPERATIVE

For authority to borrow short-term funds from the National Rural Utilities Cooperative Finance Corporation

ORDER GRANTING AUTHORITY

Community Electric Cooperative ("Applicant") has filed an application under the Public Utilities Securities Act and has paid the requisite fee of $250. In its application, Applicant requests authority to enter into a short-term line of credit with the National Rural Utilities Cooperative Finance Corporation ("CFC").

Applicant requests authority to borrow up to $680,000 under the line of credit with CFC. The line of credit agreement is for a sixty (60) month period with a variable interest rate to be established by CFC on a monthly basis in accordance with changes in the prevailing bank prime rate. Applicant cites temporary unavailability of long-term funds from the Rural Electrification Administration, an ice storm in December 1989, and additions and renovations to its office as reasons for the line of credit. Applicant states that it is necessary to have a readily available source of short-term debt under these circumstances.

THE COMMISSION, upon consideration of said application and subsequent representations of Applicant, 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 Commuinity Electric Cooperative is authorized to enter into a short-term line of credit agreement with the National Rural Utilities Cooperative Finance Corporation for a maximum amount outstanding not to exceed $680,000 at any one time for a period of sixty (60) months from the date of this Order;

2) That Applicant may borrow funds under the line of credit for the purposes and under the terms and conditions as stated in the application;

3) That this matter be continued until December 31, 1991, for the presentation by Applicant, on or before such date, of a report of the action taken, such report shall contain the effective date of the line of credit with CFC, a schedule of all advances and payments with corresponding interest rates, and a balance sheet reflecting the action taken; and

4) That this matter shall remain under the continuing review, audit and appropriate directive of this Commission, for the duration of the line of credit with CFC.

CASE NO. PUA900010
MARCH 15, 1990

APPLICATION OF
DELMARVA POWER AND LIGHT COMPANY

For authority to issue long-term debt obligations

ORDER GRANTING AUTHORITY

On February 5, 1990, Delmarva Power and Light Company ("Applicant", "Company") filed its application under the Public Utilities Securities Act for authority to incur up to $50 million of long-term debt obligations evidenced by its first mortgage bonds (the "Bonds"). Applicant has paid the requisite fee of $250.

Applicant proposes to issue the Bonds in two series, a refunding series and a new money series, on or about April 4, 1990. The Bonds will secure a like amount of Tax Exempt Revenue Bonds ("Revenue Bonds") to be issued by The Delaware Economic Development Authority (the "Authority"). Proceeds from the Revenue Bonds will be loaned to the Company by the Authority and will be used to finance the construction of certain pollution control facilities, make improvements to local gas distribution facilities and to redeem $15 million Department of Community Affairs and Economic Development of the State of Delaware, 10.25% Pollution Control Revenue Bonds Collateralized Series 1980A.

Applicant further represents that the Revenue Bonds will bear a fixed interest rate not to exceed 8.25% per annum and will mature no more than 30 years from the date of issue.

THE COMMISSION, upon consideration of said application and having been advised by its Staff, is of the opinion and finds that approval of the above described long-term financing with a maximum interest rate not to exceed 8.25% per annum will be in the public interest: Accordingly,

IT IS ORDERED:

1) That Applicant is authorized to issue and sell its first mortgage bonds in an aggregate principal amount not to exceed $50 million to support and secure a like principal amount of Tax Exempt Revenue Bonds to be issued by the Delaware Economic Development Authority, all in the manner, under the terms and conditions and for the purposes as set forth in the application;

2) That the Tax-Exempt Revenue Bonds shall bear interest at rates not to exceed 8.25% per annum, and that the maturity of any long-term debt security issued pursuant to the authority granted herein shall not exceed 30 years;

3) That Applicant shall respond promptly and fully to any Staff requests for information in connection with the long-term financing program; and

4) That this matter be continued until June 29, 1990, for the presentation by Applicant, on or before said date, of a report of action taken pursuant to the authority granted in this Order, which shall provide the date and amount of the borrowing, the expenses incurred in connection therewith, the interest rate thereon, the disposition of the proceeds therefrom to be accompanied by a balance sheet reflecting the action taken and an explanation for the timing of the issue.

CASE NO. PUA900011
FEBRUARY 26, 1990

APPLICATION OF
THE POTOMAC EDISON COMPANY

For authority to issue and sell up to 1,250,000 additional shares of common stock to an Affiliate

ORDER GRANTING AUTHORITY

On February 6, 1990, The Potomac Edison Company ("Applicant", "Company") filed its application under the Public Utilities Securities Act and the Public Utilities Affiliates Act for authority to issue and sell to Allegheny Power System, Inc. ("Affiliate") up to 1,250,000 additional shares of its common stock. Applicant has paid the requisite fee of $250.

Applicant and Affiliate have filed an Application or Declaration with the Securities and Exchange Commission ("SEC") pursuant to the Public Utility Holding Company Act of 1935, with respect to the transaction(s). Company proposes to issue and sell from time to time before December 31, 1990, up to but not exceeding an additional 1,250,000 shares of its common stock. Affiliate proposes to purchase said stock for cash at $20 per share for total cash consideration of up to $25,000,000. Company currently anticipates the issue will take place on March 15, 1990.

Applicant represents that the use of proceeds from the sale of the common stock will be to pay or prepay short-term debt incurred for construction purposes and for the acquisition of property and the construction of facilities to be used in the public service.

Applicant further represents that 16,000,000 shares of common stock are authorized and 13,385,000 shares are now issued and outstanding. All shares now outstanding, and to be outstanding, are and will be owned by Affiliate, Applicant's parent company. The issue price per share is set at $20. This price is an arbitrary value Applicant assigned to its no par value common stock to reconcile the charter authorized number of shares with total capitalization. Furthermore, Affiliate will acquire the additional shares pursuant to an intercompany financing arrangement. There will be no underwriters or underwriting expenses associated with the issue(s).

THE COMMISSION, upon consideration of said 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 and sell up to 1,250,000 shares of its no par value common stock for $20 per share, for total consideration not to exceed $25 million, all in the manner, for the purposes and under the terms and conditions set forth in the application;

2) That, on or before April 30, 1990, Applicant shall file a copy of the SEC Application and/or Declaration and a copy of any other filings made in conjunction with the common stock program;

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;

5) That Applicant shall respond promptly and fully to any Staff requests for information in connection with this common stock financing program; and

6) That this matter be continued to February 1, 1991, for the presentation by Applicant, on or before said date, of a report of action taken pursuant to the authority granted in this Order; such report shall include the date(s) of issuance, total number of shares issued, expenses associated with the issuance and a balance sheet reflecting the use of the proceeds and action taken.

CASE NO. PUA900012
APRIL 27, 1990

APPLICATION OF
DOSWELL LIMITED PARTNERSHIP

For authorization to transfer property pursuant to Chapter 5 of Title 56 of the Code of Virginia

DISMISSAL ORDER

On February 5, 1990, Doswell Limited Partnership ("Doswell") filed an application for authorization to transfer property pursuant to Chapter 5 of Title 56 of the Code of Virginia. Doswell, an independent power producer ("IPP"), states in its application that it is a party to two Amended and Restated Power Purchase and Operating Agreements, each dated January 3, 1990, with Virginia Electric and Power Company ("Virginia Power"). Pursuant to those Agreements, Doswell intends to sell electricity generated by a gas-fired combined-cycle generating plant capable of producing approximately 655 megawatts of electricity to be built in Hanover County, Virginia. In its application, Doswell recognizes that, it falls within the definition of "public utility" as that term is defined in Virginia Code § 56-88 as a result of the nature of its proposed activities, and accordingly may be subject to regulation by this Commission under the Utility Transfers Act.

Doswell proposes to grant a deed of trust lien on, and security interest in, all or substantially all of the assets comprising the generating plant and all other real or personal property and rights associated with the project to its lenders as collateral for construction financing and permanent, ongoing financing. Doswell further states that the granting of the liens and security interests to its lenders will be for the sole purpose of securing loans and will not constitute an effective present transfer of full legal title to, and possession of, the collateral to the lenders unless a default might occur. The approval sought in the application includes approval for the grant by Doswell of those liens on, and security interests in, the collateral and also for approval for the lenders and their successors and assigns to exercise rights to take title to and possession of the collateral and to operate the same in the event of a default.

Doswell also filed a motion for leave to file a brief and the accompanying brief on April 5, 1990. The brief addressed jurisdictional issues with respect to the applicability of the Utility Transfers Act to an IPP. Doswell restated its argument that IPPs should not be subject to the Utility Transfers Act since the focus of those statutes is the protection of retail ratepayers from certain transactions that could adversely affect rates and service. Doswell asserts that this statutory goal is not achieved by regulation of the activities of a wholesale producer of electricity. Doswell's motion for leave to file its brief is granted and we have considered those arguments in rendering this decision.

Doswell recognizes that the definition of public utility in Virginia Code § 56-88 includes any partnership which owns or operates facilities within the Commonwealth for the generation of electric energy for sale. In its application and brief Doswell acknowledged that it may fall within such definition. It states that "the project, which is to be located in Hanover County, will (once it is built) be a facility within the Commonwealth for the generation of electric energy for sale. Therefore the Company is or will be a 'public utility' for purposes of the Transfers Act." Brief at page 7.

Moreover, on February 13, 1990, the Commission issued its Opinion and Final Order in Application of Doswell Limited Partnership for a Certificate of Public Convenience and Necessity and, if Applicable, for Approval of Expenditures for New Generating Facilities, Case No. PUE890068 ("Opinion and Final Order"). In that order, the Commission discussed the scope of its jurisdiction over IPPs and clearly stated that Doswell was required to seek authority before it sells or transfers any of its utility assets.

As we recognized, we are pre-empted from exercising rate jurisdiction over Doswell, but we retain broad certificate jurisdiction and the authority to impose certain reporting requirements as long as that regulation does not frustrate federal law. We have no immediate power to require Doswell to seek our approval for security issuances, which includes the creation of liens on utility property, pursuant to Chapter 3 of Title 56 of the Code of Virginia. Due to our vital concern with those subjects as they relate to the Doswell project, however, we already have required Doswell to file certain information with the Clerk of the Commission. We specifically included in that filing requirement information relative to the issuance or creation of liens on any of Doswell's property within Virginia. Opinion and Final Order at page 9, 16.

Although Doswell is subject to the Utility Transfers Act, our certificate jurisdiction and certain reporting requirements, the granting of the liens and security interests described in the Company's application is not the type of transfer of utility assets contemplated by the statute or by our February 13, 1990 Opinion and Final Order.

The Commission, upon consideration of the Application submitted by Doswell, its brief and the applicable law, finds that, although Doswell is subject to our jurisdiction under Chapter 5 of Title 56 of the Code of Virginia, its grant of the liens and security interests as more fully described in its Application is not, in and of itself, a "disposition" of utility assets pursuant to the Utility Transfers Act. We should emphasize, however, that any changes in control of the plant assets associated with a default may require additional Commission approval under the Utility Transfers Act. Moreover, operation of the plant by any entity other than Doswell would require a revision of the certificate now held by Doswell. Accordingly,

IT IS ORDERED that the Application for Authorization to Transfer Property filed by Doswell Limited Partnership on February 9, 1990, is hereby dismissed.

CASE NO. PUA900013
JULY 6, 1990

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 the Virginia Highway Corporation Act of 1988

OPINION AND FINAL ORDER

Opinion, Morrison, Commissioner:

On February 2, 1990, the Toll Road Corporation of Virginia (TRCV) filed an Application under the Virginia Highway Corporation Act of 1988 (Act) requesting a certificate authorizing construction and operation of a private toll road to run from Leesburg, Virginia, to the western end of the existing, state-owned Dulles Toll Road in the area of Dulles Airport. The Application also requested approval of the proposed tolls, the projected rates of return to be earned by equity investors, and certain accounting measures.

By order of February 13, 1990, the Commission directed the preparation of a Staff Report and provided an opportunity for public comment and requests for hearing on the Application. Numerous comments were received, but only one request for hearing was submitted (and subsequently withdrawn). In general the comments favored construction of the road by TRCV.

The Commission's Staff filed its report on April 17, 1990. The Staff was unable to recommend issuance of a certificate because of doubt about the project's viability based on the information in the Application at that time. On April 18, 1990, the Commission issued an order requiring TRCV to file additional material providing its best estimates and information about the project's costs, schedule and related matters. Similar information was requested from the Virginia Department of Transportation (VDOT). The requested information was filed on May 2, 1990.

The responses to the April 18 order and the Staff's Report led the Commission, sua sponte, to schedule a hearing for June 27, 1990. TRCV, VDOT and the Commission's Staff each presented evidence at the hearing. It is the evidentiary record made at the hearing which we consider here.

STATUTORY ANALYSIS

This case is the first in which the Commission has been called upon to interpret the provisions of the Virginia Highway Corporation Act of 1988. The Act and the Application filed in this case are complex and involve many details. However, we believe the essence of the Act is capsulized in § 56-539. There the Commission is required to decide whether (1) the Application is complete; (2) the Applicant has complied with the provisions of the Act; and (3) the Application is in the public interest. We will deal briefly with each of these questions. In addition, we will make findings and impose requirements on TRCV as appropriate under the Act.

We conclude that the Application is complete. By this we mean that all of the information required by § 56-540 of the Act has been provided. However, a finding that the Application is complete is not equivalent to a conclusion that the information in the Application satisfies the Applicant's burden to prove that a certificate should be issued. The merits must be decided on the evidence of record.

The Applicant has complied with the Act or has made sufficient commitments to comply with requirements of the Act which call for future action. Accordingly, we make the second statutory finding that the Applicant is in compliance with Act. Where appropriate, we will require future action.

One significant issue of compliance with the terms of the statute is raised by the Application. The Applicant proposes to finance its toll road project using a sale and leaseback mechanism by which some of the assets of TRCV would be sold and leased back by TRCV. The relevant question is whether TRCV is required by the Act to maintain ownership of all of the toll road assets during the life of the certificate. If so, this requirement would prevent the use of the proposed sale and leaseback. We have concluded, however, that the sale and leaseback proposed in this case comports with the Act.

The Act does not deal directly with whether some financing mechanisms are permissible and others prohibited. Although sale and leaseback arrangements may not be common in regulated settings, they are not unknown. Moreover, they are frequently used in unregulated sectors of the economy. In addition, § 56-537 of the Act states a broad public policy to encourage private sector construction and operation of toll roads, "provided that adequate safeguards are provided against default in the construction and operation obligations of the operators of roadways." Given this policy statement and the general acceptance of sale and leaseback arrangements as a financing mechanism, we are of the view that the sale and leaseback proposed here is not prohibited by the Act. We will require that TRCV submit its sale and leaseback instruments and related documents for review by the Commission before they are executed in order to protect the interests of the Commonwealth and the public under the precise terms of the agreements proposed.

The Commission is directed by the Act to decide whether the Application is in the public interest. Under § 56-544 of the Act, the Commonwealth Transportation Board must decide whether "there is a public need for a road project of the type proposed . . . ." In its resolution of July 20, 1989, the Board found that the need for an extension of the existing Dulles Toll Road to Leesburg has long been recognized. The proposal in question in this case would fill that need. These conclusions are unchallenged, and we find that there is a public need for the project. However, a finding by us that approval of the Application is in the public interest requires more than the determination of present and future need.

In § 56-537, the General Assembly specifically provided that: "The public interest shall include without limitation the relative speed of the construction of the project and the relative cost efficiency of private construction of the project." This naturally causes us to determine the existence, if any, of comparative measures to which we can relate the merits of this Applicant's project completion schedule and its overall project costs. The evidentiary record in this case leads to the inescapable conclusion that such comparative measures or standards do not realistically exist.

The Commission's Staff Report filed April 17, 1990, points out that, based on the report of the VDOT consultant, over the 40-year life of the project the direct cost of service to the using public is less than $1 billion for a VDOT constructed alternative and over $3 billion for the project constructed by the Applicant (Staff Report p. 46). Translated into toll rates, the VDOT traffic and revenue study projected the VDOT-constructed project to require as little as a $1.00 toll constant over the life of the project, whereas the Applicant's proposed toll rate would initially be $1.50 and incrementally increase thereafter until it reaches $2.00 in 1996. Thereafter the toll is projected to increase in stages until the year 2010, at which time it would be $3.25.

As to the comparative speed of construction, the hypothetical VDOT project would be opened to traffic by July 1, 1994, whereas the Applicant's current projected completion date is April, 1993, a factor clearly favoring the private sector alternative.

We realize that some of the estimates and assumptions of the VDOT consultant may be open to question. However, the facts of this case do not require that we explore them further. This is because our initial effort to do so by our Order of April 18, 1990 resulted in a response from VDOT which consigns any VDOT-constructed toll facility between Dulles Airport and the Town of Leesburg bypass to the realm of the hypothetical.

The Commissioner of VDOT, in his response filed May 1, 1990 to that Order, stated that such a facility "is to be developed by the Toll Road Corporation of Virginia, and the Department has no plans to build this facility with public funds."

Furthermore, the distinguished Commissioner testified at the hearing that his Department was in support of the Application and recommended that a certificate be issued. There are no competing applicants for a certificate of authority to construct this project, and the single public sector entity with authority to do so has removed itself from any practical consideration as an alternative by which to measure the relative speed of construction and cost efficiency offered by the Applicant.

We have diligently sought to give full efficacy to the public policy enunciated by the General Assembly in § 56-537, including the particular relativity tests to determine if the project is in the public interest. Having found that there is a public need for the project, it would be inconsistent with the public interest to deny the Application on the ground that its relative project life costs greatly exceed those of VDOT which have become totally academic with VDOT having said that it does not intend to build the project. Put succinctly, the Applicant's proposal is the only game in town.

In determining the issue of public interest, we must also find that TRCV is both willing and able to fulfill its responsibilities as the holder of a certificate of authority. In other words, we must find that TRCV can reasonably be relied upon to satisfy the public need in a timely and fiscally responsible manner.

In this regard, the Applicant has demonstrated that it has employed as consultants or management personnel professional resources with considerable expertise. It has contracted and intends to further contract with designers, engineers and road builders with outstanding reputations. Given the complexity and unique nature of the project, these commendable efforts are vital in order for us to find, as we do, that the Applicant has satisfied the public interest with respect to its ability to construct and operate the facility with a reasonable probability of success.

It should be recognized that there will be uncertainties throughout the financing, construction and operation of this project. The issuance of a certificate, while necessary for the project to legally proceed, cannot insure that the project will come to fruition. That is a matter largely in the control of TRCV management. We find here only that the evidence presented shows that this project has a reasonable probability of success if given prudent attention and action by management.

For these reasons, we conclude that the Application is complete, approval of the Application is in the public interest and the Applicant has complied with Chapter 20 of Title 56 of the Code of Virginia. We also find, as our Staff has concluded, that the financing plan, including the sale and leaseback proposal, is reasonable in concept, complies with the Act and is likely to be less costly than the issuance of debt instruments by TRCV directly. We will require that the Applicant submit the sale and leaseback agreements, prior to their execution, for our review.

Several additional findings are appropriate under the Act. The effective rates of return on equity proposed in paragraph 10(c) of the Application appear reasonable at this time and the tolls proposed for use through 1997 in paragraph 10(d) of the Application appear reasonable to the user in relation to the benefit obtained, are not likely to discourage use of the road, and will provide no more than a reasonable return. Use of the reinvested earnings account is reasonable in order to permit the Applicant an opportunity to earn a fair return without providing a guaranteed return. Finally, we approve the insurance plan of the Applicant, subject to our review of the policy forms and proofs of coverage, and the form and amount of the payment and performance bonds, subject to the additional requirements specified in the following paragraphs.

NOW, THEREFORE, IT IS ORDERED:

(1) That Toll Road Corporation of Virginia be issued a Certificate of Authority to construct and operate the toll roadway as proposed in its Application;

(2) That the reinvested earnings account shall be a factor in establishing toll rates and the capital on which the Applicant will have an opportunity to earn a reasonable return, subject to the Commission's continuing jurisdiction to set tolls prospectively which provide no more than a reasonable return and do not discourage use of the road;

(3) That the effective returns on equity are approved as follows:

30% - until 1.15 X lease coverage, or 5 years, whichever is longer;
25% - until 1.25 X lease coverage, or 2 years, whichever is longer;
20% - until 1.5 X lease coverage, or 4 years, whichever is longer;
15% - until 1.75 X lease coverage, or 5 years, whichever is longer;
14% - remaining term;

subject to the Commission's jurisdiction to alter allowed rates of return prospectively;

(4) That the level of tolls to be established by the Applicant as shown in its supplemental filing shall be as follows:

$1.50 - Opening of the roadway - December 31, 1993
$1.75 - January 1, 1994 - December 31, 1995
$2.00 - January 1, 1996 - December 31, 1997;

and that these toll levels, with appropriate classifications by type of motor vehicle and distances traveled on the road, shall be used to establish the schedule of rates charged to the public as required by § 56-543(B)(1), provided that the toll charged for a motor vehicle with six or more wheels may exceed the foregoing tolls by no more than 100%;

(5) That, prior to the execution of the sale and leaseback agreements by the Applicant, the agreements shall be presented to the Commission for approval;

(6) That the Applicant shall, pursuant to § 56-551 of the Code of Virginia, report to the Commission within 90 days of the completion and closing of the original financing: (i) providing full details of the financing, including the terms of all obligations; (ii) certifying the date on which all debt will be retired; and (iii) demonstrating that the terms of the financing are reasonable, considering the economic conditions at the time of the financing;

(7) That the forms of the payment and performance bonds shall be as provided in Application Exhibit 11B provided that the form of the performance bond, but not the payment bond, may be revised in accordance with the revised Application Exhibit 11 B submitted on June 26, 1990, and such bonds shall be in the amount of the guaranteed maximum price of the construction contract;

(8) That, prior to execution, the payment and performance bonds shall be submitted to the Commission for approval;

(9) That the Applicant shall submit within 60 days from the date of this order, the forms of all required insurance for approval by the Commission pursuant to § 56-545 of the Code of Virginia;

(10) That, pursuant to § 56-545 of the Code of Virginia, the Applicant shall file with the Commission, within 60 days of the closing of the construction financing, proofs of coverage and copies of policies of all required insurance;

(11) That, effective upon the date hereof, the Applicant shall be required to file copies of the following reports with the Divisions of Public Utility Accounting and Economics and Finance, routinely without prior request:

(a) Within 60 days of the end of each calendar month - Balance sheet and income statement for the month and year-to-date;

(b) Within 10 days of the end of each calendar month - Project status report describing the status of right of way acquisition, federal, state and local permits and licenses; design, engineering and construction contracts, financing and engineering design, such reports to cease upon closing of financing;

(c) Within 60 days of the end of each calendar quarter - Cash flow statement for the quarter and year-to-date;

(d) Within 10 days of the end of each calendar quarter - Project status report reviewing the status of construction, such reports to cease upon the completion of construction;

(e) Within 90 days of the end of TRCV's fiscal operating year - Complete financial statements for such fiscal year; and operating budget, with supporting assumptions and detail, for the succeeding fiscal year;

(12) That the Applicant shall notify the Commission promptly, by filing with the Clerk in this case, of any change in the estimated dates for completing right of way acquisition (September 1, 1990) or for closing project financing (September 30, 1990);

(13) That, in furtherance of the Commission's continuing duty to supervise and control the operator pursuant to § 56-542 of the Act and § 56-36, the Applicant shall provide such other reports or information as the Staff or the Commission may direct;

(14) That TRCV shall cooperate with the Commission's Staff to develop monitoring procedures and filing requirements for use in future reviews;

(15) That this Opinion and Final Order shall be deemed the certificate required by the Act, authorizing construction and operation of the proposed toll road subject to the requirements hereof; and

(16) That this case shall remain open until further order of the Commission.

CASE NO. PUA900014
MARCH 27, 1990

APPLICATION OF
DELMARVA POWER & LIGHT COMPANY

For authority to issue up to 2,000,000 shares of Common Stock.

ORDER GRANTING AUTHORITY

Delmarva Power & Light Company ("Delmarva", "Applicant") has filed an application under the Public Utilities Securities Law requesting authority to issue Common Stock. Applicant has paid the requisite fee of $250.

Delmarva proposes to issue up to 2,000,000 shares of authorized but unissued Common Stock, par value $2.25, for the purpose of providing shares of common stock to employees under Delmarva's Savings & Thrift Plan ("S&TP"), Long Term Incentive Plan ("LTIP"), and Corporate Performance Incentive Plan ("CPIP"). Delmarva estimates that the 2,000,000 shares will be sufficient to satisfy the need for shares of the S&TP through the year 2000 and for the LTIP and CPIP through the year 2007. The total number of shares actually issued will depend upon the election of Delmarva, as well as, (1) the level of employee participation and contribution to the S&TP, (2) the number of employees electing to receive stock under the CPIP, (3) the number of participants in the LTIP exercising options or receiving other stock awards, and (4) except in connection with exercise of options, the price at the time of issuance of the shares by Applicant.

Applicant represents that the proceeds from the issuance of Common Stock, in connection with the aforesaid plans, will be used for proper general corporate purposes, including acquisition of property, construction, completion, extension or improvement of facilities, and improvement or maintenance of service.

THE COMMISSION, upon consideration of said application and representations of Applicant contained herein, and having been advised by its Staff, is of the opinion that approval of the arrangements described in the Application will be in the public interest; accordingly,

IT IS ORDERED:

1) That the Applicant is authorized to issue up to 2,000,000 shares of Common Stock for the purposes and under the terms and conditions contained herein;

2) That the authority granted herein shall expire on April 30, 2007; and

3) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA900015
MARCH 1, 1990

APPLICATION OF
THE CENTRAL TELEPHONE COMPANY OF VIRGINIA

For authority to issue First Mortgage Sinking Fund Bonds

ORDER GRANTING AUTHORITY

The Central Telephone Company of Virginia ("Company") has filed for authority under Public Utilities Securities Law. The requisite fee of $250.00 has been paid.

The Company requests authority to issue $15,000,000 of First Mortgage Sinking Fund Bonds, Series CC, by private placement. The Bonds will bear interest at 9.14% due April 1, 2020. Proceeds from the issuance will be used for the purpose of repaying advances from its parent, Central Telephone Company, which were borrowed primarily to finance construction expenditures and to meet debt maturities.

THE COMMISSION, upon consideration of said application and having been advised by its Staff, is of the opinion that approval of the above described financing will be in the public interest; accordingly,

IT IS ORDERED:

1) That the Company is authorized to issue $15,000,000 of 9.14% First Mortgage Sinking Fund Bonds, due April 1, 2020, under the terms and conditions and for the purposes described in the application; and

2) That this matter shall be continued until May 31, 1900 pending receipt of a report of action taken pursuant to this Order, to include an itemized list of all issuance costs and a balance sheet reflecting the actions taken.

CASE NO. PUA900015
MARCH 7, 1990

APPLICATION OF
THE CENTRAL TELEPHONE COMPANY OF VIRGINIA

For authority to issue First Mortgage Sinking Fund Bonds

CORRECTING ORDER

By Order Granting Authority dated March 1, 1990, Central Telephone Company of Virginia was authorized to issue $15,000,000 of 9.14% First Mortgage Sinking Fund Bonds.

IT NOW APPEARING to the Commission that, through clerical error, the continuation date was inadvertently set at May 31, 1900 rather than May 31, 1990; accordingly,

IT IS ORDERED, that the second ordering paragraph of the March 1, 1990 Order Granting Authority herein is amended to read as follows:

(2) That this matter shall be continued until May 31, 1990 pending receipt of a report of action taken pursuant to this Order, to include an itemized list of all issuance costs and a balance sheet reflecting the actions taken.

CASE NO. PUA900015
MARCH 28, 1990

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For authority to issue First Mortgage Sinking Fund Bonds

AMENDING ORDER

By Order dated March 1, 1990, and Correcting Order dated March 7, 1990, the Commission granted Central Telephone Company ("the Company") authority to issue $15 million of First Mortgage Sinking Fund Bonds, Series CC, by private placement. The Commission's March 1, 1990 Order authorized the Company to issue the Bonds under the terms and conditions outlined in its original application.

On March 27, 1990, the Company requested that the Commission issue an amending order granting the Company authority to include in its issue an optional redemption provision which was not identified in the original application. The optional redemption provision would allow the Company, on thirty (30) days notice, to prepay the Bonds, in whole or in part at a Make-Whole Prepayment Price. The Make-Whole Prepayment Price is equal to the greater of (1) par or (2) the present value of all remaining interest and principal payment, such present value to be determined

using a discount rate equal to the yield on U.S. Treasury obligations having a maturity date corresponding with the remaining average life of the Bonds being prepaid plus 40 basis points.

NOW, THE COMMISSION upon consideration of the optional redemption provision, and having been advised by its Staff, is of the opinion and finds that the approval of the above-described financing provision will be in the public interest; accordingly,

IT IS ORDERED that the first ordering paragraph of the March 1, 1990 Order Granting Authority herein is amended to read as follows:

> (1) That the Company is authorized to issue $15,000,000 of 9.14% First Mortgage Sinking Fund Bonds, due April 1, 2020, under the terms and conditions and for the purpose described in the application as amended to include the optional redemption provision.

CASE NO. PUA900016
APRIL 11, 1990

APPLICATION OF
CLIFTON FORGE - WAYNESBORO TELEPHONE COMPANY

For authority to modify a previously approved affiliates agreement

ORDER GRANTING AUTHORITY

On March 2, 1990, Clifton Forge-Waynesboro Telephone Company ("Telephone Company","Applicant") filed its application under the Public Utilities Affiliates Act for authority to update an existing Affiliates Agreement previously approval by the Commission on April 18, 1988 in Case No. PUA880015.

Applicant proposes to include its new affiliate, CFW Cellular, Inc. ("Cellular"), as part of the allocation procedure. Cellular is a stock corporation which owns interest in entities that provide cellular service in Virginia and may, from time to time, be responsible for the general management of such cellular service providers.

Under the terms of the proposed Affiliates Agreement, Telephone Company agrees to provide executive, administrative, accounting, public relations and data processing services, as well as construction, maintenance and repair services to Cellular. Telephone Company further agrees to provide local exchange access and tower space to Cellular. Network agrees to provide trunking capacity to Cellular. Cellular agrees to compensate Telephone Company and Network at full cost for said services including a return on assets at the rate most recently approved by the Commission for Telephone Company.

THE COMMISSION, upon consideration of said application and having been advised by its Staff, is of the opinion that approval of the application will be in the public interest; Accordingly,

IT IS ORDERED:

1) That the Applicant is authorized to incorporate Cellular into the Affiliates Agreement under the terms and conditions and for the purposes stated in the application;

2) That the Applicant shall secure Commission approval for any changes in the agreement or the allocator methods and procedures:

3) 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

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; and

5) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA900017
SEPTEMBER 18, 1990

APPLICATION OF
DANVILLE CELLULAR TELEPHONE COMPANY LIMITED PARTNERSHIP

For authority to enter into an affiliates agreement to provide management services

ORDER GRANTING AUTHORITY

On March 6, 1990, Danville Cellular Telephone Company Limited Partnership ("DCTCLP","Applicant") filed its application under the Public Utilities Affiliates Law for authority to enter into a Management Services Agreement ("Agreement") with its affiliate, Providence Journal Cellular Management Services, Inc. ("PJCMS").

The Agreement provides that PJCMS will manage the operation of the Danville System, including its provision of cellular radio-telephone services, telephone answering services and related services. PJCMS shall be responsible for managing, coordinating and implementing the maintenance and operation of all phases of the DCTCLP's business relating to the cellular system, including all technical, construction, marketing, sales, financial and accounting functions. This Agreement is for a twenty-five year term and expires on December 31, 2015. In return for its management services, PJCMS will be compensated by payment of a fee of five percent of gross revenues, plus reimbursement of expenses. This compensation is based on customary fees charged for such services in the cellular industry.

The COMMISSION, upon consideration of said 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 the Applicant is authorized to enter into the Management Services Agreement under the terms and conditions and for the purposes stated in the application;

2) That the Applicant shall secure Commission approval for any changes in the Agreement;

3) 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

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; and

5) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA900019
APRIL 10, 1990

APPLICATION OF
THE POTOMAC EDISON COMPANY

For authority to issue first mortgage bonds

ORDER GRANTING AUTHORITY

On March 20, 1990, The Potomac Edison Company ("Applicant", "Company") filed its application under the Public Utilities Securities Act for authority to issue first mortgage bonds (the "Bonds") in a total principal amount of up to fifty million dollars ($50,000,000). Applicant has paid the requisite fee of $250.

Applicant has filed or will file a shelf registration for $50 million principal amount with the Securities and Exchange Commission ("SEC") pursuant to Rule 415 under the Securities Act of 1933, as amended. Company proposes to issue the Bonds in one or more series at such time or times before February 29, 1992. The precise date or dates of issue will depend upon prevailing market and financial conditions.

Applicant represents that the use of proceeds from the sale of the Bonds will be to effect the optional redemption prior to maturity of the following series of currently outstanding first mortgage bonds:

Series	Interest Rate	Maturity	Principal Outstanding	Redemption Price
9.5	9.50%	2000	$20 million	104.15%
9.25	9.25%	2006	$25 million	105.11%

Proceeds, if any, remaining after the redemption of the above described Bonds shall be used for general corporate purposes including paying or prepaying short-term debt and for the acquisition of property and construction of facilities to be used in public service.

Applicant further represents that the Bonds will be issued in one or more new series, each such series to have a single maturity of not less than five (5) and not more than thirty (30) years. Interest is anticipated to be paid semi-annually at a fixed rate which will be determined by market conditions prevailing at the time of the sale or sales. The price to Company will be no less than 94% of the principal amount, and the Bonds will bear an interest rate not to exceed 8.75%. The Bonds will be issued under and secured, together with Applicant's presently outstanding bonds, by the Indenture of October 1, 1944, and as to be further supplemented by a Supplemental Indenture to be dated as of the date the Bonds are issued. The Bonds will be sold, depending on market conditions, at competitive bidding, or by negotiated sale.

Applicant anticipates the rating for the new issue to be based upon the present rating of its existing long-term debt, which is "AA-" by Standard and Poor's, "Aa3" by Moody's and "AA-" by Fitch. The underwriters or agents for the Bonds have not yet been determined.

THE COMMISSION, upon consideration of said application and having been advised by its Staff, is of the opinion and finds that approval of the above described long-term financing with a maximum interest rate of 8.75% will be in the public interest; Accordingly,

IT IS ORDERED:

1) That Applicant is authorized to issue and sell its first mortgage bonds in an aggregate principal amount not to exceed $50 million within a two (2) year time period from the date of this Order, provided that the interest rate on any series shall not exceed 8.75% per annum, all in the manner, for the purposes and under the terms and conditions set forth in the application;

2) That, on or before June 29, 1990, Applicant shall file a copy of the SEC registration statement, a copy of the basic prospectus filed with the SEC, a copy of any other filings made in conjunction with the long-term debt program, and a copy of the governing trust indenture (or supplemental indenture) in its final form;

3) That Applicant shall submit a preliminary report within seven (7) days after the issuance of any Bond issued pursuant to this Order, which shall provide the date and amount of the borrowing, the interest rate thereon, the current yield to maturity on recently issued, comparable U.S. Treasury securities (or interpolated yield to maturity if there is no comparable U.S. Treasury security) at the time of the borrowing, and an explanation for the timing of the issue;

4) That within sixty (60) days after the end of each calendar quarter in which any Bonds are issued pursuant to this Order, Applicant shall file a more detailed report with respect to all borrowings (if any) sold during said calendar quarter, which shall provide:

a. The date and amount of the issue, interest rate, comparable U.S. Treasury yield to maturity (or interpolated yield to maturity) at the time each such issue was sold, date of maturity, and net proceeds to Applicant;

b. The actual issuance expenses, including:

i. a copy of all contracts, underwritings and other agreements for the sale or marketing of the issue(s),

ii. agent's fees along with the name of the agent selling each issue(s), and

iii. any affiliation, direct or indirect, through directors, stockholders or ownership of securities between Applicant and the agent;

c. Change in capital structure due to issue;

d. Change in return on equity due to issue;

e. A revised balance sheet including the new issue; and

f. A copy of each prospectus supplement filed with the SEC as well as any other regulatory statements filed in connection with any Bonds sold.

5) That Applicant shall respond promptly and fully to any Staff requests for information in connection with the long-term financing program; and

6) That this matter be continued to May 15, 1992, subject to the continuing review, audit and appropriate directive of this Commission.

CASE NO. PUA900020
APRIL 3, 1990

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY
AND
RAPPAHANNOCK ELECTRIC COOPERATIVE

For authority to transfer utility assets

ORDER GRANTING AUTHORITY

Virginia Electric and Power Company ("Virginia Power") and Rappahannock Electric Cooperative ("Cooperative") (collectively, the "Petitioners") have filed an application under the Utility Transfers Act.

The Petitioners request approval of a proposed sale by Virginia Power and purchase by Cooperative of the North Doswell Substation, less transformer (the "Substation"). Virginia Power has agreed to sell and convey and Cooperative has agreed to purchase and acquire, subject to Commission approval, the Substation. The purchase price for the Substation is $56,065.00 which is equal to the present reproduction cost of the facilities less depreciation as estimated by Virginia Power. Cooperative represents that by owning the Substation, it will save on the purchase of wholesale power and benefit from having total operational control of the facility, which in turn will enable it to serve its customers more cost efficiently.

THE COMMISSION, upon consideration of said application and representations of the Petitioners and having been advised by its Staff, is of the opinion that the sale and conveyance of the Substation will neither impair nor jeopardize adequate service to the public at just and reasonable rates. Accordingly,

IT IS ORDERED:

1) That the Petitioners are authorized to transfer the public utility assets, all in the manner, under the terms and conditions and for the purposes as described in the application; and

2) That this matter be continued until June 29, 1990, for the presentation by the Petitioners, on or before such date, of a report of the action taken pursuant to the authority granted herein, such report shall contain a bill of sale for said transaction, all journal entries associated with said transaction and balance sheets reflecting the Petitioners' positions before and after the action taken.

CASE NO. PUA900021
MAY 25, 1990

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For authority to advance funds to Central Telephone Company, an affiliate

ORDER GRANTING AUTHORITY

Central Telephone Company of Virginia ("Applicant, "Centel") has filed an application under the Public Utilities Affiliates Law for authority to advance funds to Central Telephone.

Centel represents that from time to time it may have cash with no immediate internal use for the funds. Therefore, Applicant proposes to advance said funds to Central Telephone Company ("Central Telephone"). Applicant states that by advancing idle funds to Central Telephone, Centel will improve the utilization of its cash resources, earn a competitive return on its money and maintain a more efficient cash management system. Such advances will be repayable at any time in whole or in part and will bear interest equal to the 30-day commercial paper rate for high grade commercial paper sold through brokers as quoted in the Wall Street Journal of each month in the "Money Rates" section.

THE COMMISSION, upon consideration of said application and having been advised by its Staff, is of the opinion that approval of the above described arrangement will not be detrimental to the public interest and should be approved subject to the conditions and limitations set forth below; accordingly,

IT IS ORDERED:

1) That Applicant is authorized to advance funds from time to time to Central Telephone, under the terms and conditions as described in the application;

2) That the authority granted herein shall expire December 31, 1991;

3) That should Applicant desire to continue such an arrangement beyond December 31, 1991, an application be filed with the Commission for subsequent approval;

4) 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; and

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 56-69 of the Code of Virginia; and

6) That this matter be continued to February 28, 1992, for the presentation by Applicant, on or before said date, of a report of the action taken in accordance with the authority granted in this Order; 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 borrowing by Centel showing the date of borrowing, amount, maturity, interest rate, and use of proceeds; and a balance sheet reflecting the action taken.

CASE NO. PUA900022
JUNE 25, 1990

APPLICATION OF
DALE SERVICE CORPORATION

For approval of an affiliate agreement

ORDER GRANTING AUTHORITY

Dale Service Corporation ("Applicant") has filed an application with the Commission for approval of an affiliate agreement pursuant to the Public Utilities Affiliates Law. Applicant entered into a lease agreement with the Estate of Cecil D. Hylton on March 9, 1990.

Under the terms of the lease, Applicant will lease 1200 square feet of office space at 5573 Mapledale Plaza located in Prince William County, Virginia. The proposed annual lease rate for the first year is $13.50 a square foot, with a 6% increase each year thereafter. The term of the lease is for five years.

THE COMMISSION, upon consideration of said application and representation of Applicant and having been advised by its Staff, is of the opinion that Applicant entered into the lease agreement prior to receiving Commission authority which is in violation of Section 56-85 of the Code of Virginia. The Commission is of the further opinion that approval of the application will not be detrimental to the public interest and that Applicant's future affiliate transactions should be monitored closely for compliance with the Affiliates Law; Accordingly,

IT IS ORDERED:

1) That Applicant is authorized to enter into the lease agreement under the terms and conditions stated in the application;

2) That the authority granted herein shall expire on March 31, 1995;

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 hereafter;

4) That approval granted herein does not preclude the Commission from applying the provisions of Section 56-78 and 56-80 of the Code of Virginia hereafter; and

5) That there appearing nothing further to be done in this matter, the same be, and it hereby is, closed.

CASE NO. PUA900023
MAY 7, 1990

APPLICATION OF
GTE SOUTH, INCORPORATED

For authority to issue long- term indebtedness

ORDER GRANTING AUTHORITY

On April 12, 1990, GTE South, Incorporated ("Applicant", "Company") filed its application under the Public Utilities Securities Act for authority to issue debt securities ("Debt Securities") in the form of first mortgage bonds ("Bonds") and/or promissory notes ("Notes") in a total principal amount of up to two hundred million dollars ($200,000,000). The Applicant has paid the requisite fee of $250.

The Applicant has filed or will file a shelf registration for $200 million principal amount with the Securities and Exchange Commission ("SEC") pursuant to Rule 415 under the Securities Act of 1933, as amended. Company proposes to issue these Debt Securities in one or more series at such time or times within a two year period following the effective date of a registration statement filed with the SEC. The precise date or dates of issue will depend upon prevailing market and financial conditions.

Applicant represents that the use of proceeds from the sale of Bonds will be to effect the optional redemption prior to maturity of the following series of currently outstanding first mortgage bonds:

Series	Interest Rate	Maturity	Principal Outstanding	Redemption Price
BB	11.375%	1995	$72,750,000	103.21%
X	9.375%	2005	$21,744,000	104.16%
9.95%	9.950%	1999	$14,200,000	104.19%

Additionally, Applicant estimates that by mid-year 1990, short-term debt obligations, used to finance construction and additions to properties, will approximate $75,000,000. As a result, Applicant will use a portion of the long-term funds to pay off the short-term borrowings.

The Applicant further represents that the Debt Securities will be issued in one or more new series, each such series to have a single maturity of not less than five (5) and no more than forty (40) years. Interest is to be paid semi-annually at a fixed rate which will be determined by market conditions prevailing at the time of the sale or sales. The Debt Securities will have a yield to maturity not to exceed 150% of the then current yield to maturity of recently issued U.S. Treasury Securities of comparable maturity trading in the secondary market. The Debt Securities will be sold, depending on market conditions, at competitive bidding, or by negotiated sale, or by private placement.

THE COMMISSION, upon consideration of said Application, and having been advised by its Staff, is of the opinion and finds that approval of the above described long-term financing will be in the public interest; Accordingly,

IT IS ORDERED:

1) That the Applicant is authorized to issue and sell long-term debt in the form of first mortgage bonds and/or promissory notes in an aggregate principal amount not to exceed $200 million at any time within the two year period following the effective date of its shelf registration with the SEC, provided that the yield to maturity on any Note or Bond so issued shall not exceed 150% of the then current yield to maturity on the comparable United States Treasury security, as dictated in secondary markets, at the time such is sold, subject to straight-line interpolation where there is no comparable United States Treasury security, all in the manner, for the purposes and under the terms and conditions set forth in the application;

2) That Applicant is allowed to recover the call premium expenses and the unamortized cost of issuance expenses associated with the Series X, BB, and 9.95% First Mortgage Bonds over the life of the new Bonds and/or Notes issued if any such series is redeemed;

3) That, on or before August 31, 1990, the Applicant shall file a copy of the SEC registration statement, a copy of the basic prospectus filed with the SEC, a copy of any other filings made in conjunction with the long-term debt program, and a copy of the governing trust indenture (or supplemental indenture) in its final form;

4) That the Applicant shall submit a preliminary report within seven (7) days after the issuance of any Note or Bond pursuant to this Order, which shall provide the date and amount of the issue, the interest rate and yield to maturity, the current yield to maturity on recently issued, comparable U.S. Treasury securities (or interpolated yield to maturity if there is no comparable U.S. Treasury security) at the time of the borrowing, and an explanation for the timing of the issue and the type of security issued;

5) That within sixty (60) days after the end of each calendar quarter in which any Note(s) and/or Bond(s) is issued pursuant to this Order, the Applicant shall file a more detailed report with respect to all borrowings (if any) sold during said calendar quarter, which shall provide:

a. The date and amount of the issue, interest rate, comparable U.S. Treasury yield to maturity (or interpolated yield to maturity) at the time each such issue was sold, date of maturity, and net proceeds to the Applicant;

b. The actual issuance expenses, including:

i. a copy of all contracts, underwritings and other agreements for the sale or marketing of the issue(s),

ii. agent's fees along with the name of the agent selling each issue(s), and

iii. any affiliation, direct or indirect, through directors, stockholders or ownership of securities between the Applicant and the agent;

c. Change in capital structure due to issue;

d. Change in return on equity due to issue;

e. A revised balance sheet including the new issue;

f. A copy of each prospectus supplement filed with the SEC as well as any other regulatory statements filed in connection with the Debt Securities sold; and

g. A statement showing the purposes for which the Debt Securities were issued;

6) That the Applicant shall respond promptly and fully to any Staff requests for information in connection with the long-term financing program; and

7) That this matter be continued to May 15, 1992, subject to the continuing review, audit and appropriate directive of this Commission.

CASE NO. PUA900024
JUNE 7, 1990

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to issue and sell bonds

ORDER GRANTING AUTHORITY

Virginia Electric and Power Company ("Applicant" or "Company") filed an application on April 18, 1990, requesting authority to issue and sell First and Refunding Mortgage Bonds pursuant to the Public Utilities Securities Act. The requisite fee of $250 has been paid.

Applicant proposes to issue and sell an aggregate principal amount of up to $400 million of its First and Refunding Mortgage Bonds ("Bonds"). Applicant intends to file with the Securities and Exchange Commission ("SEC") under Rule 415 of the Securities Act of 1933, as amended.

The Bonds will be issued and sold from time to time, in one or more series, over a period of two years from the date the registration statement is declared effective by the SEC. The Applicant will sell the Bonds during such period when and if financial market conditions and the needs of the Company warrant. The maturity of the Bonds will range from one (1) year to thirty (30) years. The Bonds will be issued pursuant to the Indenture of Mortgage, dated November 1, 1935, between the Company and The Chase Manhattan Bank, N.A., as successor trustee and as shall be amended and supplemented. A supplemental indenture will be executed and delivered in connection with each series of Bonds. The assets subject to the lien of said indenture will secure the Bonds.

The Bonds may be marketed to or through underwriters or dealers, publicly or through direct placement with financial institutions. The Bonds may also be sold by the Applicant directly or through agents. The interest rate on the Bonds will be determined at the time of the sale on the basis of their respective maturities, terms and conditions and the state of the financial markets. The yield to maturity of the Bonds will not exceed

140% of the then current yield to maturity on U.S. Treasury securities of comparable maturities, subject to straight-line interpolation when there is no comparable U.S. Treasury security.

THE COMMISSION, upon consideration of said application and having been advised by its Staff, is of the opinion that approval of the application is in the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is authorized to issue and sell for a period of two years from the date of this Order, an aggregate principal amount of up to $400 million of its First and Refunding Mortgage Bonds, provided that the yield to maturity on any Bond so issued shall not exceed 140% of the then current yield to maturity on the comparable United States Treasury security, as dictated in secondary markets, at the time such is sold, subject to straight-line interpolation where there is no comparable United States Treasury security, all in the manner, for the purposes and under the terms and conditions set forth in the application;

2) That Applicant will file with the Commission a copy of the SEC registration statement, a copy of the basic prospectus and any other filings made in connection with the Bond issuance on or before July 31, 1990;

3) That the expenses associated with establishing the Bond program shall be charged to FERC Account 181 and amortized over a period equal to the term to maturity of the initial series of Bonds sold under the program, and any expenses associated with the issuance of any specific Bond pursuant to this Order shall be amortized in accordance with FERC Account 181 treatment, over the life of said Bond;

4) That Applicant shall submit a preliminary report within ten (10) business days after the settlement date of any Bonds issued pursuant to this Order, such report shall provide the date and amount of the Bonds, the interest rate and the comparable U.S. Treasury security's yield to maturity as traded in the secondary market (or interpolated yield to maturity if there is no comparable U.S. Treasury security) at the time the Bonds were sold;

5) That within sixty (60) days after the end of each calander quarter in which any Bond Series is issued, the Applicant will file a detailed report with respect to all Bonds sold which will include:

a. The date and amount of the issue, interest rate, comparable U.S. Treasury security's yield to maturity as traded in the secondary market (or interpolated yield to maturity) at the time each of such Bonds were sold, date of maturity, and net proceeds to the Applicant;

b. Information relating to the sale of the Bonds, including:

i. a copy of all contracts, underwritings and other agreements for the sale or marketing of the Bonds;

ii. the fees of, along with the name of, the underwriter(s), dealers(s), agent(s) or other person(s) to or through whom the Bonds were sold; and

iii. any affiliation, direct or indirect, through directors, stockholders or ownership of securities between the Applicant and such persons to or through whom the bonds were sold;

c. Change in capital structure due to issue;

d. Change in return on equity due to issue;

e. A revised balance sheet reflecting the new issue;

f. A copy of each prospectus supplement filed with the SEC as well as any other regulatory statements filed in connection with the Bonds sold; and

g. A general statement showing the purposes for which the Bonds were issued:

i. if the purpose is the construction, completion, extension or improvement of facilities: a description of such facilities with the cost detailed;

ii. if the purpose is the reimbursement of the treasury for expenditures against which securities have not been issued: a statement must include the details of the expenditures, the accounts to which the expenditures were charged, and the date(s) during which they were made; or

iii. if the purpose is the refunding of obligations: a description of the obligations including the principal amounts, discount or premium applicable, the date of issue and maturity;

6) That the Applicant shall respond promptly and fully to any Staff requests for information in connection with the Bond issuance; and

7) That this matter be continued to July 1, 1992 subject to the continuing review, audit and appropriate directive of this Commission.

CASE NO. PUA900025
JUNE 1, 1990

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For authority to purchase or redeem and retire all outstanding preferred stock

ORDER GRANTING AUTHORITY

Virginia Natural Gas, Inc. ("Applicant") has filed an application under the PUblic Utilities Affiliates Law requesting authority to purchase or redeem and retire all outstanding shares of its Series $8.01 Preferred Stock ("Preferred Stock") held by Consolidated Natural Gas Company ("CNG"), the parent company.

The purchase or redemption will be funded through the Consolidated Natural Gas Company Money Pool ("Money Pool"), previously approved by the Commission in Case No. PUA890047. The purchase price will be $100 per share plus accrued and unpaid dividends.

THE COMMISSION, upon consideration of said application and having been advised by its Staff, is of the opinion that approval of the purchase or redemption and retirement of all outstanding Preferred Stock will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Virginia Natural Gas, Inc. is authorized to purchase or redeem and retire all outstanding Preferred Stock from Consolidated Natural Gas Company, at $100 per share plus accrued and unpaid dividends, under the terms and conditions and for the purposes described in the application;

2) That the authority granted herein shall not preclude the Commission from applying the provisions of the Code of Virginia, Sections 56-78 or 56-80, hereafter;

3) That the Commission shall maintain the authority to inspect the accounting records and books of any VNG affiliate as necessary; and

4) That this matter be continued to August 1, 1990, for 1the presentation by Applicant, on or before said date, of a report of the action taken pursuant to the authority granted by this Order, accounting in detail for the purchase or redemption and retirement of all outstanding Preferred Stock, and a balance sheet reflecting the action taken.

CASE NO. PUA900026
JUNE 5, 1990

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For authority to issue common stock

ORDER GRANTING AUTHORITY

Virginia Natural Gas, Inc. ("Applicant") has filed an application with the Commission under the Public Utilities Securities Law and Public Utilities Affiliates Law for authority to issue and sell common stock. The requisite fee of $250 has been paid.

Applicant requests authority to issue and sell up to 700 shares of its common stock to Consolidated Natural Gas Company ("CNG"). The sale is based on a purchase price equal to the Applicant's book value per share and will not exceed $15 million. The net proceeds from the issuance will be used to reduce borrowings under an inter-company credit agreement with CNG and/or for the construction, completion, extension or improvement of facilities and improvement and maintenance of service.

THE COMMISSION, upon consideration of said application and having been advised by its Staff, is of the opinion that approval of the sale of common stock to CNG will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Virginia Natural Gas, Inc. is authorized to sell up to 700 shares of its common stock, without par value, to Consolidated Natural Gas Company for an amount not to exceed $15 million;

2) That Applicant is authorized to sell its common stock in the manner, under the terms and conditions, and for the purposes as stated in the application;

3) 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;

4) That the Commission shall maintain authority to inspect the accounting records and books of any affiliate of the Applicant as necessary; and

5) That this matter be continued until August 1, 1990 for the presentation by Applicant, on or before said date, of a report of the action taken, accounting in detail for the issuance and sale of the common stock, the expenses incurred therewith, the use of the proceeds, and a balance sheet reflecting the action taken.

CASE NO. PUA900027
MAY 22, 1990

APPLICATION OF
COMMUNITY ELECTRIC COOPERATIVE

For authority to issue notes to REA and CFC

ORDER GRANTING AUTHORITY

Community Electric Cooperative ("Applicant", "Community") has filed an application with the Commission under the Public Utilities Securities Law requesting authority to issue notes to the Rural Electrification Administration ("REA") and the National Rural Utilities Cooperative Finance Corporation ("CFC").

Applicant proposes to increase the amount of notes issued to REA and CFC by an amount not to exceed $2,240,000 and $1,000,000, respectively. The interest rate on the REA note will be fixed at five percent (5%) per annum. Community will select a fixed or variable interest rate on the CFC notes upon the first advance of funds. The total amount of the notes have a concurrent maturity of thirty-five (35) years. The proceeds from the issuance will be used for extension and improvement of Community's system as well as for the purchase of equipment.

THE COMMISSION, upon consideration of said application and having been advised by its Staff, is of the opinion that approval of the application will be in the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is authorized to increase the amount of notes issued to the REA and CFC by $2,240,000 and $1,000,000, respectively, under the terms and conditions, and for the purposes as stated in the application;

2) That the REA note shall bear interest at a rate no greater than five percent (5%) per annum;

3) That Applicant shall advise the Commission of the CFC note interest rate within thirty (30) days from the date of the first advance of funds;

4) That, should Applicant desire to convert to a variable interest rate, after first selecting the fixed interest rate option on the CFC notes, Applicant shall secure Commission approval for such conversion;

5) That no later than thirty (30) days prior to the date of a change in CFC's long-term fixed interest rate on the note authorized herein, Applicant shall file with the Director of Accounting and Finance a report which states the new rate and the method used for determining such rate;

6) That Applicant shall secure Commission approval for any changes in the method used for determining the interest rate on the CFC notes as outlined in CFC's "Policy & Procedures Memorandum, Loans-3, Long-Term Secured Loans-Concurrent (CFC-REA)", Revised July, 1988 and in CFC's "Policy & Procedures Memorandum, Loans-9, Interest Rate Adjustment to Long-Term, Fixed Rate Loans", Revised August, 1988;

7) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA900028
JUNE 13, 1990

APPLICATION OF
CENTRAL VIRGINIA ELECTRIC COOPERATIVE

For authority to issue notes to REA and CFC and increase membership certificates authorized

ORDER GRANTING AUTHORITY

Central Virginia Electric Cooperative ("Applicant", "Central") has filed an application with the Commission under the Public Utilities Securities Law requesting authority to issue notes to the Rural Electrification Administration ("REA") and the National Rural Utilities Cooperative Finance Corporation ("CFC"), as well as to increase the number of authorized memberships.

Applicant proposes to increase the amount of notes issued to REA and CFC by an amount not to exceed $3,990,000 and $1,762,887, respectively. The interest rate on the REA note will be fixed at five percent (5%) per annum. Central has decided to select a fixed interest rate on the CFC notes at an interest rate to be determined at the time of the first advance of funds. The total amount of the notes have a concurrent maturity of thirty-five (35) years. The proceeds from the issuance will be used to construct approximately 84.9 miles of electric distribution line and 1.75 miles of transmission line, to construct three (3) new substations and make system improvements to approximately 17.5 miles of line.

Applicant also proposes to increase the maximum number of memberships to be executed and sold from 20,000 to 30,000 with the fee remaining the same at $5.00 each. Applicant, as of April 30, 1990 had 18,182 members and plans to add an additional 1,185 with the completion of the facilities described herein.

THE COMMISSION, upon consideration of said application and having been advised by its Staff, is of the opinion that approval of the application will be in the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is authorized to increase the amount of notes issued to the REA and CFC by $3,990,000 and $1,762,887 respectively, under the terms and conditions, and for the purposes as stated in the application;

2) That the REA note shall bear interest at a rate no greater than five percent (5%) per annum and the CFC note shall bear a fixed interest rate;

3) That Applicant shall advise the Commission of the CFC note interest rate within thirty (30) days from the date of the first advance of funds;

4) That, should Applicant desire to convert the CFC note to a variable interest rate, Applicant shall secure Commission approval for such conversion;

5) That no later than thirty (30) days prior to the date of a change in CFC's long-term fixed interest rate on the note authorized herein, Applicant shall file with the Director of Accounting and Finance a report which states the new rate and the method used for determining such rate;

6) That Applicant shall secure Commission approval for any changes in the method used for determining the interest rate on the CFC notes as outlined in CFC's "Policy & Procedures Memorandum, Loans-3, Long-Term Secured Loans-Concurrent (CFC-REA)", Revised July, 1988 and in CFC's "Policy & Procedures Memorandum, Loans-9, Interest Rate Adjustment to Long-Term, Fixed Rate Loans", Revised August, 1988;

7) That Applicant is authorized to increase the number of membership certificates authorized from 20,000 to 30,000 and that the fee shall remain the same, namely, $5.00 each; and

8) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA900029
JUNE 21, 1990

APPLICATION OF
SHENANDOAH TELEPHONE COMPANY

For authority to update its allocation procedures and to include a new affiliate as part of the updated allocation procedures

ORDER GRANTING AUTHORITY

Shenandoah Telephone Company ("Shenandoah", "Applicant") and its affiliates received authority in Case No. PUA840067 to allocate expenses and return on asset allocations among affiliates. In Case No. PUA870054, Shenandoah received authority to include its affiliate, Shenandoah Long Distance Company, as part of the allocation procedures. In Case No. PUA890030, Shenandoah received authority to include its affiliate, Shenandoah Network Company, as part of the allocation procedures and to update various aspects of the allocation procedures. On May 11, 1990, Shenandoah filed an application under the Public Utilities Affiliates Law for authority to update its allocation procedures and to include Virginia 10 RSA Limited Partnership ("VA10") as part of said allocation procedures.

Applicant proposes to include its new affiliate, VA10, as part of the allocation procedures. VA10 was established by Shenandoah Mobile Company ("Mobile"), Centel Cellular Company of Virginia ("Centel"), and Contel Cellular, Inc. ("Contel") to arrange for the funding, establishment and provision of cellular service. Mobile, Centel and Contel have a sixty-six percent, thirty-three percent and one percent interest in the partnership, respectively.

Additionally, Shenandoah proposes to update the allocation procedures to allow, where feasible, for direct charges of all costs, when the services provided are not of a general on-going nature. Shenandoah's policy has been to pay .5% of previous years net income as contributions to organizations primarily in the service area and allocate these costs to affiliates. VA10 will not participate in this practice. VA10 will pay tariffed charges to Shenandoah in addition to the allocation of general overhead expenses. Shenandoah represents that, with the exception of allowing more use of direct allocation of costs, and excluding VA10 from contributions, no other allocation methods will change. VA10 will simply be incorporated into the allocation procedures.

THE COMMISSION, upon consideration of said 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 update its allocation procedures to allow, where feasible, for direct charges of all costs, and to render services to VA10 under the terms and conditions and for the purposes stated in the application;

2) That Applicant is authorized to incorporate VA10 into the allocation procedures updated as described herein;

3) That Applicant shall secure Commission approval for any future changes in the allocation methods and procedures;

4) That approval of the application does not preclude the Commission from applying the provisions of Section 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; and

6) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA900030
JUNE 19, 1990

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to transfer public service property

ORDER GRANTING AUTHORITY

Virginia Electric and Power Company ("Virginia Power") has filed an application under the Utility Transfers Act requesting authority to transfer its Pole Road Substation (the "Substation") to the United States Army (the "Army").

Virginia Power has agreed to sell and convey, and the Army has agreed to purchase and acquire the Substation located in Fort Belvoir. The Substation serves as a delivery point to the Army and services no other Virginia Power customers. The purchase price of $79,488 for the Substation is equal to the present reproduction cost of the facilities less depreciation as estimated by Virginia Power.

Virginia Power states in the application that the sale and conveyance of the Substation will neither impair nor jeopardize adequate service to the public at just and reasonable rates and that the sale is in the public interest.

THE COMMISSION, upon consideration of said application and having been advised by its Staff, is of the opinion that the proposed transfer of the Pole Road Substation as described in the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Virginia Electric and Power Company is authorized to execute a Bill of Sale for the transfer of the Pole Road Substation to the United States Army under the terms and conditions as specified in the application; and

2) That this case shall be continued until July 3, 1990 for the presentation by Virginia Power, on or before such date, of a report of action taken pursuant to the authority granted, such report shall include a schedule of the accounting entries recording the sale and a balance sheet reflecting the action taken.

CASE NO. PUA900031
JUNE 26, 1990

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For authority to enter into intercompany financing

ORDER GRANTING AUTHORITY

Virginia Natural Gas, Inc. ("Applicant" or "VNG") has filed an application with the Commission under the Public Utilities Securities Act and the Public Utilities Affiliates Act for authority to extend and amend its participation in the Consolidated Natural Gas Company ("CNG") System Money Pool ("Money Pool"). The Commission in Case No. PUA890047, dated October 31, 1989, authorized VNG to borrow up to $25 million for the period October 31, 1989, through June 30, 1990. The requisite fee of $250 has been paid.

Applicant proposes to extend the term of its participation in the Money Pool for the period beginning July 1, 1990, through June 30, 1991. Additionally, Applicant proposes to increase the amount it may borrow up to an amount not to exceed $65 million. The proceeds from the Money Pool will be used as working capital for general corporate purposes, including gas storage and inventories, temporary financing of construction, and extension, improvements and/or additions to facilities. The borrowings made under the Money Pool may also be used to fund construction expenditures associated with the joint-use pipeline approved by the Commission in Case No. PUE860065. VNG states that the accounting for the pipeline expenses will be maintained separate and apart from that for the other funds drawn by VNG from the Money Pool.

The funds in the Money Pool are loaned on a short-term basis at interest rates based on the weighted average effective rate of interest on CNG's commercial paper and/or revolving credit borrowings. If no such borrowings are outstanding, the interest rate for Money Pool advances will be based upon the daily composite Federal Funds rate, as quoted by the Federal Reserve Bank of New York.

VNG stated in its application that participation in the Money Pool will, on a daily basis, match the available cash and short-term borrowing requirements of the participating companies, thereby minimizing the need for external short-term borrowings. If funds remain in the Money Pool after satisfaction of the borrowing needs of participating companies, Consolidated Natural Gas Service Company, as agent of the Money Pool, will invest the funds and allocate the earnings on the investments between those participating companies providing the excess funds. VNG stated that all borrowings and contributions to the Money Pool will be documented and shown in its accounting records.

THE COMMISSION, upon consideration of said application and subsequent representations of Applicant and having been advised by its Staff, is of the opinion that approval of the above described financing will not be detrimental to the public interest. Accordingly;

IT IS ORDERED:

1) That Virginia Natural Gas, Inc. is authorized to participate in the Money Pool for borrowings up to an aggregate amount outstanding of $65,000,000 and to invest excess cash from time to time in the Money Pool, 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 has no implications for ratemaking purposes;

3) That the authority granted herein extends from July 1, 1990 through June 30, 1991;

4) That approval of the application does not preclude the Commission from applying 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; and

6) That this matter be continued to July 31, 1991, for the presentation by Applicant, on or before said date, of a report of the action taken pursuant to the authority granted in this Order, such report shall include: the amounts advanced from the Money Pool, the date of the advances and the interest rate, a schedule of repayments, the amount of the Money Pool borrowings for this period which were applied to joint-use pipeline construction, the amounts invested in the Money Pool, the interest rate earned on said investments, and a balance sheet reflecting the action taken.

CASE NO. PUA900032
JUNE 28, 1990

APPLICATION OF
THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY OF VIRGINIA

For approval of a contract amendment

ORDER GRANTING AUTHORITY

The Chesapeake and Potomac Telephone Company of Virginia ("C&P", "Applicant") has filed an application with the Commission pursuant to the Public Utilities Affiliates Law for authority to amend a contract between C&P and Bell Atlantic Paging, Inc. ("BAPI").

C&P furnishes BELLBOY Paging Service within its Richmond, Northern Virginia and Norfolk service territories. In 1983, C&P and its affiliated companies, The Chesapeake and Potomac Telephone Company of Maryland and The Chesapeake and Potomac Telephone Company (collectively the "C&P Companies"), entered into a contract with a non-affiliated corporation, Multicom, Incorporated ("Multicom"), to have Multicom serve as the exclusive agent for the C&P Companies for the purposes of selling, administering, and servicing BELLBOY Paging Service accounts. On November 11, 1988, Bell Atlantic Paging, Inc. ("BAPI") entered into a contract with Multicom under which, inter alia, BAPI assumed Multicom's rights and obligations under the Multicom contract with the C&P Companies. Since that time, BAPI has served as C&P's exclusive agent under the terms and conditions of the Multicom contract.

C&P customers are now demanding regional paging service which C&P is unable to provide. C&P does not believe it would be in its best interest to invest in a multi-jurisdictional service as competitive as regional paging. BAPI is willing to take the risk necessary to become a regional paging provider but certain language in the contract restricts BAPI from making such an investment.

Therefore, C&P proposes to amend the contract to remove the language that prohibits BAPI from offering a regional paging service. This change will also permit C&P to use other sales agents in addition to BAPI.

THE COMMISSION, upon consideration of said application and representation of Applicant and having been advised by its Staff is of the opinion that approval of the contract entered into between Bell Atlantic Paging, Inc. and Multicom on November 11, 1988 and the amendment described herein will not be detrimental to the public interest. Accordingly;

IT IS ORDERED:

1) That Applicant is authorized to enter into the contract and amendment with Bell Atlantic Paging, Inc. under the terms and conditions as described in the application;

2) That Applicant shall secure Commission approval for any future change in the agreement as described herein;

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 approval of the application does not preclude the Commission from applying the provisions of Section 56-78 and 56-80 of the Code of Virginia hereafter; and

5) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA900033
JUNE 11, 1990

APPLICATION OF
VIRGINIA - AMERICAN WATER COMPANY

For authority to issue short-term debt

ORDER GRANTING AUTHORITY

Virginia-American Water Company ("Applicant", "Company") has filed an application under the Public Utilities Securities Act requesting authority to issue short-term debt up to a maximum of $4,506,000 outstanding through March 31, 1991. The requisite fee of $250 has been paid.

Applicant proposes to issue short-term debt in an aggregate amount not to exceed $4,506,000, which will constitute over five percent (5.0%) of the total capitalization of the Company. The money will be borrowed from banks at the best interest rate available to the Applicant. Authority is requested to be granted from April 1, 1990 through March 31, 1991. The proceeds from the short-term borrowings will be used to finance Company's construction program and meet preferred stock sinking fund requirements.

THE COMMISSION, upon consideration of said application and representations of Applicant, and having been advised by its Staff, is of the opinion that the above described financing is in the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is authorized to issue short-term debt in an aggregate amount not to exceed $4,506,000, under the terms and conditions and for the purposes as described in the application, from the date of this Order through March 31, 1991; and

2) That this matter shall be continued for the presentation by Applicant, on or before April 30, 1991, of a report of action taken pursuant to this Order, such report to contain a schedule of the monthly borrowing and repayments of short-term debt for the period of April 1, 1990 through March 31, 1991, the corresponding interest rates, a description of the use of the proceeds, a detailed listing of the expenses associated with the short-term debt balances, and a balance sheet reflecting the action taken.

CASE NO. PUA900034
JULY 6, 1990

APPLICATION OF
OLD DOMINION POWER COMPANY

For authority to enter into Facilities Agreement with affiliate

ORDER GRANTING AUTHORITY

Old Dominion Power Company ("Applicant", "Company") has filed an application with the Commission under the Public Utilities Affiliates Law for authority to enter into a Facilities Agreement ("Agreement") with its parent, Kentucky Utilities Company ("Parent, "KU"). The Agreement provides for KU and Company to share proportionately in the cost of the general office building at One Quality Street, Lexington, Kentucky. KU commenced a ten-year lease on March 31, 1979, with an option to purchase the building upon the expiration of said lease. KU exercised the option and purchased the nine story, 146,000 square foot building and two adjacent parking lots on May 5, 1989.

In order for Company to bear its proportionate share of the rental cost of the building, the parties entered into a Facilities Agreement under which Company would incur a monthly cost of $5,600 to reimburse KU for its share of KU's cost of owning and operating said property. Such costs will include a return on the investment and structural improvements, depreciation expense, property taxes, and income taxes.

THE COMMISSION, upon consideration of said application and representations of Applicant and having been advised by its Staff, is of the opinion that approval of the application will not be detrimental to the public interest. However, the Commission is of the further opinion that the rate of return component used in the development of the annual cost rate in connection with the Agreement should be the last Commission authorized rate of return to be revised with subsequent changes in said return. Accordingly,

IT IS ORDERED:

(1) That Applicant is authorized to enter into the Facilities Agreement with Kentucky Utilities Company as described in the application, provided that, the rate of return component to be used in the development of the annual cost rate for purposes of the Agreement shall be the last rate of return authorized by this Commission, to be revised with subsequent changes in said return;

(2) That, in the event the terms and conditions of the Facilities Agreement described herein change, Commission approval for such changes shall be required;

(3) That the approval granted herein shall not prclude the Commission from applying the provisions of Sections 56-78 or 56-80 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; and

(5) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA900035
JULY 25, 1990

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to lease additional computer equipment and business machines

ORDER GRANTING AUTHORITY

Virginia Electric and Power Company ("Applicant" or "Company") filed an application on May 31, 1990, requesting authority to enter into financing leases of computer equipment and business machines, provided that the fair market value of, and the aggregate basic rental payments for all such equipment and machines will not exceed $20,000,000 and $6,000,000, respectively, net of the fair market value of and rentals from subleased equipment, if any.

The Commission originally authorized the Company, in Case No. A-409 dated May 27, 1975, to enter into financing leases for such equipment and machines, subject to the filing of periodic reports and subject to dollar limitations being set for fair market value and annual basic rental payments at $6,000,000 and $1,500,000, respectively. The dollar limitations were increased to $7,000,000 and $2,000,000, respectively, by Commission Order dated April 27, 1978, in Case No. A-409, and were again increased to $8,000,000 and $2,500,000, respectively, by Commission Order dated March 22, 1982, in Case No. PUA820021.

THE COMMISSION, upon consideration of said application and having been advised by its Staff, is of the opinion that approval of the application is in the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is authorized to lease computer equipment and business machines, provided that the fair market value of, and the aggregate basic rental payments for all such equipment and machines will not exceed $20,000,000 and $6,000,000, respectively, net of the fair market value of and rentals from subleased equipment, if any, all in the manner, and under the terms and conditions as set forth in the application;

2) That Applicant continue to file a report on or before April 1 of each year with the Division of Economics and Finance regarding financing leases entered into pursuant to this application; and

3) That there appearing nothing further to be done in this matter, the same be, and it hereby is, closed.

CASE NO. PUA900036
MAY 23, 1990

APPLICATION OF
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

For authority to guarantee debt of Old Dominion Electric Cooperative

ORDER GRANTING AUTHORITY

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 ("Applicants") have filed an application under the Public Utilities Securities Law and have paid the requisite fee of $250. In its application, Applicants request authority to guarantee debt of Old Dominion Electric Cooperative ("Old Dominion") in connection with Old Dominion's financing of the two 393 MW coal-fired generating units near Clover, Virginia

("Clover Project"). This guarantee is one of many conditions imposed by Rural Electrification Administration ("REA") in connection with any long-term financing approved for the Clover Project. The guarantees will be provided by Applicants on a pro rata basis based upon each cooperative's purchased power costs. Total guarantees amount to $48,593,324. CFC has agreed that, if the guarantees are called, the member cooperatives will be allowed a ten year payout period.

THE COMMISSION, upon consideration of said application and representations of Applicants, and having been advised by its Staff, is of the opinion that approval of the above-described financing arrangements will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

(1) That Applicants are authorized to guarantee debt of Old Dominion Electric Cooperative in connection with the Clover Project financing under the terms and conditions and for the purposes as described in the application and

(2) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA900037
JUNE 12, 1990

APPLICATION OF
SOUTHSIDE ELECTRIC COOPERATIVE

For authority to borrow funds under short-term line of credit with National Rural Utilities Cooperative Finance Corporation

ORDER GRANTING AUTHORITY

Southside Electric Cooperative ("Applicant", "Cooperative") has filed under the Public Utilities Securities Law and has paid the requisite fee of $250. In its application, Applicant requests authority to enter into a short-term credit agreement with the Natural Rural Utilities Cooperative Finance Corporation ("CFC") for an amount up to $7,000,000.

Cooperative proposes to enter into a short-term line of credit with CFC and issue a promissory note as evidence thereof. The line of credit is for a sixty month period with the interest rate on all advances being equal to the prime rate as published in the "Money Rates" column of any edition of The Wall Street Journal plus one percent per annum or such lesser total rate per annum as may be fixed by CFC from time to time. Cooperative states that the monies are needed to reimburse general funds until long-term loans can be secured from REA and CFC through a two-year work plan.

THE COMMISSION, upon consideration of said application and representations of Applicant and having been advised by its Staff, is of the opinion that approval of the proposed financing will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is authorized to incur short-term indebtedness in an amount up to $7,000,000 under a line of credit agreement with CFC, for a period of sixty months from the date of this Order;

2) That Applicant may borrow funds under the line of credit for the purpose and under the terms and conditions as stated in the application;

3) That this matter be continued until August 30, 1991, for the presentation by Applicant, on or before such date, of a report of action taken pursuant to the authority granted herein, such report shall contain a schedule of all advances and prepayments with corresponding interest rates and a balance sheet reflecting the action taken; and

4) That this matter shall remain under the continuing review, audit and appropriate directive of this Commission, for the duration of the line of credit with CFC.

CASE NO. PUA900038
JUNE 14, 1990

APPLICATION OF
CFW CELLULAR, INC.
VIRGINIA RSA 6 CELLULAR LIMITED PARTNERSHIP
VIRGINIA RSA 6 RESALE LIMITED PARTNERSHIP

For Approval Pursuant to the Affiliates Act

ORDER GRANTING INTERIM APPROVAL

On May 25, 1990, CFW Cellular, Inc., Virginia RSA 6 Cellular Limited Partnership ("Partnership" or "Wholesaler") and Virginia RSA 6 Resale Limited Partnership ("Reseller") (collectively, "Applicants"), by counsel, filed an application with the Commission for approval of certain affiliated transactions and requested that the Commission grant their motion for "temporary" authority pursuant to their affiliate application.

Affiliate approval is sought for agreements related to the application of the Partnership for a Certificate of Public Convenience and Necessity to Operate as a Cellular Mobile Radio Communications Carrier. These agreements provide for the Reseller to contract with the Partnership for wholesale cellular services and to offer these cellular services to the public. Applicants state that the Partnership expects to receive its cellular certificate in June, 1990. In support of their motion, Applicants state that it will benefit the public to have cellular services available as soon as the Partnership receives its cellular certificate and has operational cellular facilities.

NOW, THE COMMISSION having considered the Applicants' motion, is of the opinion and finds that, upon initial review, the application appears to be consistent with the public interest. Other resellers have been authorized to contract with an affiliated wholesaler to offer cellular services to the public. Therefore, it is reasonable to grant interim approval of this application, pending a full review by our Staff. However, further investigation and review may require modification of any or all terms, conditions or cost allocations set forth in the Application. Further, Applicants may be required to refund or provide credit for any or all portion of charges or allocations made during this interim period in excess of those which may be fixed in the final order of the Commission.

Accordingly, IT IS ORDERED:

(1) That the Applicants be granted interim authority to engage in the transactions described in their Affiliate Act Application; and

(2) That the authority granted by this order is subject to modification or revocation upon further order of the Commission.

CASE NO. PUA900038
AUGUST 23, 1990

APPLICATION OF
CFW CELLULAR, INC.
VIRGINIA RSA 6 CELLULAR LIMITED PARTNERSHIP

For approval pursuant to the Affiliates Act

ORDER GRANTING AUTHORITY

On May 23, 1990, CFW Cellular, Inc. ("CFW") and Virginia RSA 6 Cellular Limited Partnership ("Wholesale"), (collectively, "Applicants") filed an application under the Public Utilities Affiliates Law for approval of certain affiliate transactions. Applicants also requested that the Commission grant their motion for "temporary" authority pursuant to their application. Such temporary authority was granted by Commission Order dated June 14, 1990, pending further investigation and review by the Staff.

In the application, Applicants state that Wholesale is a Virginia public service entity engaged in the provision of cellular telecommunications service in Virginia. Virginia RSA 6 Resale Limited Partnership ("Resale"), a limited partnership, provides retail cellular telecommunications sales in the cities of Harrisonburg, Staunton, and Waynesboro and the surrounding counties. CFW, a public service corporation, is the sole general partner and majority owner of Wholesale and Resale. All three entities are affiliates pursuant to Chapter 4 of the Code of Virginia.

By Commission Order dated June 13, 1990, in Case No. PUC900006, Wholesale was granted a certificate of public convenience and necessity, No. C-25, to render cellular mobile radio communications service upon receipt of Federal Communications Commission ("FCC") authorization. Wholesale will provide cellular telecommunications service to Resale based on approved tariff rates as filed with the Commission.

In the application, CFW proposes to enter into management and operational agreements with Wholesale and Resale and CFW will be reimbursed for these services at cost. Under the agreement with Wholesale ("Wholesale Agreement"), CFW shall provide to Wholesale certain management and operational services to include, without limitation, the following: executive management; finance, accounting, budgeting, cash management, and taxes; personnel and administration; customer services and billing; legal and regulatory; and engineering, planning, maintenance, and network surveillance. Charges that can be specifically identified will be charged directly to Wholesale. Other services provided to Wholesale and other cellular entities will be charged proportionately based on the number of operating units to which CFW is providing services. All charges will be billed to Wholesale on a monthly basis. These charges will not include any profit or return on investment to CFW.

Under the agreement with Resale ("Resale"), CFW shall provide management and operational services to Resale to include, without limitation, the following: executive management; finance, accounting, budgeting, cash management, and taxes; personnel and administration; customer services and billing; legal and regulatory; and marketing and advertising. Charges that can be specifically identified will be charged directly to Resale. Other services provided by CFW to Resale and other cellular entities will be charged proportionately based on the number of operating units to which CFW is providing services. All charges will be billed to Resale on a monthly basis. These charges will not include any profit or return on investment to CFW.

THE COMMISSION, upon consideration of said application and representations of Applicants, and having been advised by its Staff, is of the opinion that approval of the above-described service agreements will not be detrimental to the public interest. The Commission is of the further opinion, however, that services to be provided by CFW shall be limited to those services stated in the application. Accordingly,

IT IS ORDERED:

(1) That CFW Cellular, Inc. is authorized to provide management and operational services to Virginia RSA 6 Cellular Limited Partnership and Virginia RSA 6 Resale Limited Partnership as described in the application except that such services shall be limited to those stated in the application;

(2) That should any terms and conditions of the agreements as described herein change, then Commission approval shall be required for such changes;

(3) That the approvals granted herein shall not preclude the Commission from exercising 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 in connection with the authority granted herein, whether or not such affiliate is regulated by this Commission pursuant to Section 56-79 of the Code of Virginia hereafter; and

(5) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA900040
JULY 5, 1990

APPLICATION OF
SOUTHSIDE ELECTRIC COOPERATIVE

For authority to issue notes to REA and CFC

ORDER GRANTING AUTHORITY

Southside Electric Cooperative ("Applicant", "Southside") has filed an application with the Commission under the Public Utilities Securities Law requesting authority to issue notes to the Rural Electrification Administration ("REA") and the National Rural Utilities Cooperative Finance Corporation ("CFC").

Applicant proposes to increase the amount of notes issued to REA and CFC by an amount not to exceed $9,800,000 and $4,375,000, respectively. The interest rate on the REA note will be fixed at five percent (5%) per annum. Southside will select a fixed or variable interest rate on the CFC notes upon the first advance of funds. The total amount of the notes have a concurrent maturity of thirty-five (35) years. The proceeds will be used for the extension and improvement of Southside's system.

THE COMMISSION, upon consideration of said application and having been advised by its Staff, is of the opinion that approval of the application will be in the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is authorized to increase the amount of notes issued to the REA and CFC by $9,800,000 and $4,375,000, respectively, under the terms and conditions, and for the purposes as stated in the application;

2) That the REA note shall bear interest at a rate no greater than five percent (5%) per annum;

3) That Applicant shall advise the Commission of the CFC note interest rate within thirty (30) days from the date of the first advance of funds;

4) That, should Applicant desire to convert to a variable interest rate, after first selecting the fixed interest rate option on the CFC notes, Applicant shall secure Commission approval for such conversion;

5) That no later than thirty (30) days prior to the date of a change in CFC's long-term fixed interest rate on the note authorized herein, Applicant shall file with the Director of Accounting and Finance a report which states the new rate and the method used for determining such rate;

6) That Applicant shall secure Commission approval for any changes in the method used for determining the interest rate on the CFC notes as outlined in CFC's "Policy & Procedures Memorandum, Loans-3, Long-Term Secured Loans-Concurrent (CFC-REA)", Revised July, 1988 and in CFC's "Policy & Procedures Memorandum, Loans-9, Interest Rate Adjustment to Long-Term, Fixed Rate Loans", Revised August, 1988;

7) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA900042
AUGUST 15, 1990

APPLICATION OF
THE POTOMAC EDISON COMPANY

For authority to dispose of utility assets

ORDER GRANTING AUTHORITY

The Potomac Edison Company ("Applicant", "Company") has filed an applicaton under the Utility Transfers Act for authority to sell 15.00 acres of real property in Orange County, Virginia to Richard A. Dennis and Vickie C. Dennis, his wife, (collectively, "Buyer") of Barboursville, Virginia.

Company represents that the property, known as Lot 11, Monteith Farms Subdivision, was purchased in 1984 to provide Company a right-of-way for a 115 kv transmission line known as the Pratts-Gordonsville line. A portion of the land has been used for Company's above-described transmission line right-of-way; and by a reservation in the deed of conveyance for the proposed sale, Company has retained the transmission line right-of-way. Other portions of the land are not in use by Company nor does Company have any plans to use them.

The proposed purchase price for the property is Sixteen Thousand, Five Hundred Dollars ($16,500.00) of which One Thousand, Six Hundred and Fifty Dollars ($1,650.00) shall be paid in cash or certified check by Buyer at the time of execution of the Contract of Sale, the receipt of which Company acknowledges, and Fourteen Thousand , Eight Hundred and Fifty Dollars ($14,850.00) shall be paid in cash or by certified check by Buyer at the time of settlement.

THE COMMISSION, upon consideration of said application and representations of Applicant and having been advised by its Staff, is of the opinion that approval of the sale of property as described in the application will neither 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 Applicant is authorized to sell the property described in the application to Richard A. Dennis and Vickie C. Dennis under the terms and conditions set forth therein;

(2) That the approval granted herein shall have no implications for ratemaking purposes; and

(3) That this matter be continued until October 31, 1990, for the presentation by Applicant, on or before said date, of a report showing all accounting entries related to the transaction.

CASE NO. PUA900043
JULY 6, 1990

APPLICATION OF
CRAIG - BOTETOURT ELECTRIC COOPERATIVE

For authority to issue notes to REA and CFC

ORDER GRANTING AUTHORITY

Craig-Botetourt Electric Cooperative ("Applicant", "Cooperative") has filed an application with the Commission under the Public Utilities Securities Law requesting authority to issue notes to the Rural Electrification Administration ("REA") and the National Rural Utilities Cooperative Finance Corporation ("CFC").

Applicant proposes to increase the amount of notes issued to REA and CFC by an amount not to exceed $840,000 and $371,134, respectively. The interest rate on the REA note will be fixed at five percent (5%) per annum. Cooperative has decided to select a fixed interest rate on the CFC notes at an interest rate to be determined at the time of the first advance of funds. The total amount of the notes have a concurrent maturity of thirty-five (35) years. The proceeds from the issuance will be used to construct, improve and extend system facilities.

THE COMMISSION, upon consideration of said application and having been advised by its Staff, is of the opinion that approval of the application will be in the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is authorized to increase the amount of notes issued to the REA and CFC by $840,000 and $371,134 respectively, under the terms and conditions, and for the purposes as stated in the application;

2) That the REA note shall bear interest at a rate no greater than five percent (5%) per annum and the CFC note shall bear a fixed interest rate;

3) That Applicant shall advise the Commission of the CFC note interest rate within thirty (30) days from the date of the first advance of funds;

4) That, should Applicant desire to convert the CFC note to a variable interest rate, Applicant shall secure Commission approval for such conversion;

5) That no later than thirty (30) days prior to the date of a change in CFC's long-term fixed interest rate on the note authorized herein, Applicant shall file with the Director of Accounting and Finance a report which states the new rate and the method used for determining such rate;

6) That Applicant shall secure Commission approval for any changes in the method used for determining the interest rate on the CFC notes as outlined in CFC's "Policy & Procedures Memorandum, Loans-3, Long-Term Secured Loans-Concurrent (CFC-REA)", Revised July, 1988 and in CFC's "Policy & Procedures Memorandum, Loans-9, Interest Rate Adjustment to Long-Term, Fixed Rate Loans", Revised August, 1988; and

7) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA900044
JULY 20, 1990

APPLICATION OF
ROANOKE GAS COMPANY

For authority to issue Common Stock

ORDER GRANTING AUTHORITY

On June 25, 1990, Roanoke Gas Company ("Applicant", "Roanoke") filed its application under Chapter 3 of Title 56 of the Code of Virginia for authority to issue up to 70,685 shares of Common Stock through a Rights offering ("Rights"). The requisite fee of $250 has been paid.

Roanoke proposes to issue to existing shareholders, transferable warrants or rights entitling the holder thereof, prior to expiration, to purchase for $31.00 per share one additional share of common stock for each eight shares held by each such shareholder as of the record date. The $31 price reflects a discount from recent market prices. Fractional shares will not be issued and shareholdings will be rounded down to eight or multiples of eight. Rights holders who fully exercise their retained Rights will be provided with the privilege to subscribe for the purchase of available shares not purchased in the exercising of Rights prior to expiration. In the event that eligible Rights holders subscribe to purchase more shares than are available, the available balance of such shares will be allocated to eligible Rights holders based on the proportion of each eligible Rights holders' number of shares relative to the total number of shares purchased by all Rights holders. The net proceeds from the issuance will be used to reduce and avoid incurring short-term indebtedness and other proper corporate purposes.

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 application will not be detrimental to the public interest. However, the Commission is of the further opinion that the discount on the shares sold through the Rights offerings should not exceed 15% of the average market price of Roanoke's common stock in the month preceding the offering period. Accordingly,

IT IS ORDERED:

1) That Applicant is authorized to issue transferable rights and accept oversubscription agreements to and from existing shareholders for the purpose and under the terms and conditions as stated in the application with the stipulation that the purchase price discount offered to the Rights holders, relative to the market price, shall not exceed 15%; and

2) That this case be continued until January 31, 1991, for presentation by Applicant, on or before such date, of a report of action taken pursuant to the authority granted by this Order, and such report shall include:

a. The total number of shares issued, the issue price, and the market prices during the month preceding the issue;

b. A list of the ten largest shareholders, the number of shares purchased by each in connection with this issue and the total number of shares held by said shareholders;

c. An itemized list of the total actual issuance expenses;

d. Change in capital structure due to issue;

e. Change in return on equity due to issue;

f. A balance sheet reflecting the issue;

g. A copy of all documents filed with the Securities and Exchange Commission in connection with the Common Stock issue;

h. A statement showing a detailed description of the purposes for which the Common Stock were used.

CASE NO. PUA900044
AUGUST 8, 1990

APPLICATION OF
ROANOKE GAS COMPANY

For authority to issue Common Stock

ORDER GRANTING MOTION TO AMEND APPLICATION AND ORDER GRANTING AUTHORITY

On June 25, 1990, Roanoke Gas Company ("Applicant", or"Roanoke") filed an application under Chapter 3 of Title 56 of the Code of Virginia for authority to issue up to 70,685 shares of Common Stock through a Rights offering ("Rights"). Roanoke stated in its application that it would not issue fractional share Rights and shareholdings would be rounded down to eight or multiples of eight in determining the number of Rights to be issued to each shareholder.

Upon consideration thereof, the Commission issued an Order Granting Authority on July 20, 1990, authorizing Roanoke to issue transferable rights and to accept oversubscription agreements under the terms and conditions as stated in the application with certain stipulations.

On August 7, 1990, Applicant filed a Motion For Leave To Amend Application and Order Granting Authority ("Motion"). In its Motion, Roanoke stated that in order to avoid a disproportionate distribution of the Rights, Applicant now plans to issue transferable fractional share Rights which may be redeemed for cash prior to expiration.

THE COMMISSION, upon consideration of said Motion and representations of Applicant and having been advised by its Staff, is of the opinion that Roanoke's leave to amend its application should be granted and that the Order Granting Authority should be amended. Accordingly;

IT IS ORDERED:

1) That Roanoke's application be, and hereby is, amended under the terms and conditions contained in its Motion;

2) That the third sentence of the second paragraph of the Commission's Order dated July 20, 1990 be, and hereby is, deleted; and

3) That all requirements and guidelines prescribed in the July 20, 1990 Order shall remain in full force and effect.

CASE NO. PUA900045
AUGUST 17, 1990

APPLICATION OF
UNITED CITIES GAS COMPANY

For approval of certain affiliate transacations

ORDER GRANTING AUTHORITY

United Cities Gas Company ("Applicant") has filed an application under the Public Utilities Affiliates Law for approval of the Barnsley Gas Storage Field (the "Barnsley Field") transfer to United Cities Gas Storage Company ("Storage Company"), an affiliate, and certain gas storage agreements between Applicant and Storage Company relating to the Illinois, Kansas, and Tennessee operations of United Cities (collectively, the "Storage Agreements").

Storage Company was organized in conjunction with the acquisition by Applicant of all the Common Stock of Union Gas Systems ("Union Gas") and the merger of Union Gas into Applicant as of December 20, 1989. Union Gas owned gas storage fields located in Kansas. The Kansas gas storage fields of Union Gas were acquired from Union Gas for cash by Storage Company. In June 1989, Applicant signed an Asset Purchase Agreement with TXG Engineering, Inc. for the purchase of the Barnsley Field, which is located in Hopkins County, Kentucky. The closing date of this transaction was October 30, 1989. The purchase price of the Barnsley Field was $1,845,472.

Applicant requests approval for the transfer of the Barnsley Field and storage gas from Applicant to Storage Company for net book value at the time of transfer. The transfer took place December 20, 1989. Applicant represents that no part of the Barnsley Field is allocated to its Virginia operations.

Applicant also requests approval for certain Storage Agreements with Storage Company relating to the Barnsley Field and Applicant's Kansas operations. Under the Storage Agreements relating to the Barnsley Field, Storage Company is to provide storage services to Applicant at the Barnsley Field for its Illinois and Tennessee operations. Under the Kansas Storage Agreement, Storage Company is to provide storage services to Applicant at Storage Company's Kansas gas storage fields.

Applicant states that the costs of services relating to all the Storage Agreements are to be allocated to each state in which it operates in accordance with the State's usage of that storage. Because the Virginia system is not physically connected to either of these storage fields, and therefore imposes no demand for the storage service, no costs will be allocated to Applicant's Virginia operations.

THE COMMISSION, upon consideration of said application and representations of Applicant, and having been advised by its Staff, is of the opinion that the above-described affiliate transactions will not be detrimental to the public interest.

Accordingly,

IT IS ORDERED:

(1) That Applicant is authorized to transfer the Barnsley Gas Storage Field to United Cities Gas Storage Company as described in the application;

(2) That Applicant is authorized to enter into certain gas storage agreements with United Cities Gas Storage Company relating to the Illinois, Tennessee, and Kansas operations of Applicant as described in the application;

(3) That should any changes occur in the Storage Agreements as filed herein, Commission approval shall be required for such changes;

(4) That the approvals granted herein shall not preclude the Commission from exercising 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 in connection with the approvals granted herein whether or not such affiliate is regulated by this Commission, pursuant to Section 56-79 of the Code of Virginia hereafter; and

(6) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA900046
SEPTEMBER 24, 1990

APPLICATION OF
APPALACHIAN POWER COMPANY

For authority to make cash contribution to affiliate

ORDER GRANTING AUTHORITY

Appalachian Power Company ("Applicant", "Company") has filed an application with the Commission under the Public Utilities Affiliates Law for authority to make a cash contribution to Central Appalachian Coal Company ("Central", "Affiliate"). Applicant represents that it owns all the common stock of Central, which is presently inactive, but which formerly engaged in the coal mining business. Accordingly, Central is an affiliated interest of Applicant within the meaning of Chapter 4 of Title 56 of the Code of Virginia.

In its application, Company proposes to make a cash contribution to Central in the amount of $800,000. Applicant represents that such cash capital contribution would be added to Affiliate's treasury funds to provide adequate working capital after the settlement of certain West Virginia workers' compensation claims by a lump sum payment.

THE COMMISSION, upon consideration of said application and representations of Applicant, and having been advised by its Staff, is of the opinion and finds that the above-described transaction will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Appalachian Power Company is authorized to make a cash capital contribution to Central Appalachian Coal Company in the amount of $800,000 for the purposes as described in the application;

2) That the approval granted herein shall not preclude the Commission from exercising the provisions of Sections 56-78 and 56-80 of the Code of Virginia hereafter;

3) The 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 Section 56-79 of the Code of Virginia hereafter; and

4) That this matter shall be continued until November 30, 1990, for the presentation, on or before said date, of a report of the action taken pursuant to the authority granted herein, such report to include balance sheets of Applicant and Affiliate reflecting the action taken.

CASE NO. PUA900047
AUGUST 17, 1990

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

Washington Gas Light Company ("WGL") and Shenandoah Gas Company ("Shenandoah") (collectively, the "Applicants") have filed an application under Chapter 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 to Frederick through September 30, 1991 up to an aggregate amount outstanding at one time of $15,000,000. WGL also proposes to make Advances to Shenandoah and Shenandoah proposes to receive Advances through September 30, 1991 up to an aggregate amount outstanding at one time of $12,000,000. The advances will be used to finance the construction programs, gas purchases, and other proper corporate purposes of Frederick and Shenandoah. Interest on the Advances will be determined based on WGL's consolidated embedded cost of debt, including long and short-term funds and preferred stock, excluding non-utility subsidiaries. The interest rate will be calculated on a monthly basis.

THE COMMISSION, upon consideration of said application and representations of Applicants 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 WGL is authorized to make interest-bearing open account advances to its affiliates, Frederick and Shenandoah, through September 30, 1991;

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 $15,000,000 and $12,000,000, respectively;

4) That the Advances shall be made under the terms and conditions, and for the purposes stated in the application with the exception that the authority granted herein shall not include the conversion of WGL Advances made to Frederick into paid-in capital;

5) That approval of the application does not preclude the Commission from applying the provisions of Section 56-78 and 56-80 of the Code of Virginia hereafter; and

6) That Applicants shall file a report of the action take pursuant to the authority granted herein on or before October 30, 1991, such report shall provide a schedule of short-term and long-term Advances, including the date of the Advances, the corresponding interest rate, a schedule of the repayments made by Frederick and Shenandoah, and the outstanding Advance balances prior to this Order.

CASE NO. PUA900048
AUGUST 21, 1990

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For authority to issue short-term debt and sell commercial paper to affiliates

ORDER GRANTING AUTHORITY

Washington Gas Light Company ("Applicant") has filed an application under the Public Utilities Securities Law and the Public Utilities Affiliates Law for authority to incur up to $150 million in short-term debt. Applicant has paid the requisite fee of $250.

Applicant seeks authority to issue short-term debt in the form of bank notes and commercial paper in an amount not to exceed $150,000,000 outstanding at any time for the period October 1, 1990 through September 30, 1991. Applicant also requests authority to sell a portion of its authorized commercial paper in an amount not to exceed $20,000,000 to the following affiliated companies: Crab Run Gas Company, Hampshire Gas Company, Brandywood Estates, Inc., Washington Resources Group, Inc., Cellin Manufacturing, Inc., and Davenport Insulation, Inc. ("Affiliates") for the same period. Applicant represents that the funds will be used to temporarily finance purchases of natural gas and for working capital needs. The bank notes and commercial paper will bear interest at the prevailing market rate at the time of issue.

THE COMMISSION, upon consideration of said application and having been advised by its Staff, is of the opinion that approval of the above described financing will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is authorized to issue short-term debt, in an amount not to exceed $150,000,000 outstanding at any time from October 1, 1990 through September 30, 1991, in the manner, for the purposes, and under the terms and conditions as 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, in the manner, for the purposes, and under the terms and conditions as set forth in the application;

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; and

5) That this matter be continued until November 30, 1991, for the presentation by Applicant on or before said date, of a report of the action taken pursuant to the authority granted in this Order; such report to include a detailed accounting of the sale of the short-term debt, the disposition of the proceeds derived therefrom, and any expenses, commissions, or fees paid in connection therewith; to be accompanied by a balance sheet reflecting the action taken.

CASE NO. PUA900049
JULY 26, 1990

APPLICATION OF
A & N ELECTRIC COOPERATIVE

For authority to issue notes to REA and CFC

ORDER GRANTING AUTHORITY

A & N Electric Cooperative ("Applicant", "A & N") has filed an application with the Commission under Chapter 3 of Title 56 of the Code of Virginia requesting authority to issue notes to the Rural Electrification Administration ("REA") and the National Rural Utilities Cooperative Finance Corporation ("CFC").

Applicant proposes to increase the amount of notes issued to REA and CFC by an amount not to exceed $2,170,000 and $958,763, respectively. The interest rate on the REA note will be fixed at five percent (5%) per annum. A & N has selected the fixed interest rate option for the CFC notes and that rate will be determined prior to the first advance of funds. The total amount of the notes have a concurrent maturity of thirty-five (35) years. The proceeds will be used for the extension and improvement of A & N's system.

THE COMMISSION, upon consideration of said application and having been advised by its Staff, is of the opinion that approval of the application will be in the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is authorized to increase the amount of notes issued to the REA and CFC by $2,170,000 and $958,763, respectively, under the terms and conditions, and for the purposes as stated in the application;

2) That the REA note shall bear interest at a rate no greater than five percent (5%) per annum;

3) That Applicant shall advise the Commission of the CFC note interest rate within thirty (30) days from the date of the first advance of funds;

4) That, should Applicant desire to convert to the variable interest rate option on the CFC notes, Applicant shall secure Commission approval for such conversion;

5) That no later than thirty (30) days prior to the date of a change in CFC's long-term fixed interest rate on the note authorized herein, Applicant shall file with the Division of Economics and Finance a report which states the new rate and the method used for determining such rate;

6) That Applicant shall secure Commission approval for any changes in the method used for determining the interest rate on the CFC notes as outlined in CFC's "Policy & Procedures Memorandum, Loans-3, Long-Term Secured Loans-Concurrent (CFC-REA)", Revised July, 1988 and in CFC's "Policy & Procedures Memorandum, Loans-9, Interest Rate Adjustment to Long-Term, Fixed Rate Loans", Revised August, 1988; and

7) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA900050
SEPTEMBER 5, 1990

APPLICATION OF
COMMONWEALTH GAS SERVICES, INC.
COMMONWEALTH GAS PIPELINE CORPORATION

For authority to transfer utility assets to an affiliate

ORDER GRANTING AUTHORITY

Commonwealth Gas Pipeline Corporation ("Pipeline") and Commonwealth Gas Services, Inc. ("Services"), (collectively, "Applicants"), have filed an application with the Commission under the Public Utilities Affiliates Law and the Utility Transfers Act for authority to transfer gas pipeline facilities. In its application, Pipeline proposes to sell to Services approximately 19.99 miles of six inch natural gas pipeline and associated facilities located in the City of Fredericksburg and in Spotsylvania and Culpeper Counties, Virginia (the "Facilities"), and Services proposes to purchase the Facilities and operate them as "ordinary extensions or improvements" of its existing gas distribution system within the contemplation of Section 56-265.2 of the Code of Virginia.

Applicants state that in advance of the proposed November 1, 1990, merger of Commonwealth Gas Pipeline Corporation into Columbia Gas Transmission Corporation ("Columbia Transmission"), Services proposes to purchase certain Facilities from Pipeline. These Facilities consist of approximately 19.99 miles of six inch steel high pressure pipeline running west from Pipeline's existing City Gate delivery point to Services in the City of Fredericksburg through that City and the Counties of Spotsylvania and Culpeper, Virginia to Services' Germanna regulating station, together with associated rights of way and the Fredericksburg City Gate and Salem Church regulating stations. The Facilities are a portion of Pipeline's Fredericksburg Lateral which runs from a delivery point to Pipeline off Transcontinental Gas Pipe Line Corporation's ("Transco") main line at Lignum, in Culpeper County, to the Fredericksburg City Gate.

The sales price of the Facilities will be the net book value of the Facilities at the time of sale. Such value is estimated to be $40,048.39 as of September 1, 1990. Applicants state that the transfer of the Facilities is proposed to enable Services to better manage the growth currently experienced and that expected in the future in terms of construction, operation and maintenance of the necessary facilities and to enable Services to respond to requests for service and increased capacity more quickly.

THE COMMISSION, upon consideration of said application and representations of Applicants, and having been advised by its Staff, is of the opinion and finds that the above-described transfer of utility assets from Pipeline to Services is appropriate. The Commission is of the further opinion that the transfer is "an ordinary extension" and will be used in the usual course of business in Services' certificated territory and that the proposed transfer will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Commonwealth Gas Pipeline Corporation is hereby authorized to transfer the Facilities to Commonwealth Gas Services, Inc. under the terms and conditions and for the purposes as described in the application;

2) That Certificate No. GT-49 authorizing Commonwealth Gas Pipeline Corporation, formerly CNG Transmission Company, to own and operate facilities in Culpeper County, Virginia shall be canceled and shall be amended as, Certificate No. GT-49a;

3) That Certificate No. GT-50 authorizing Commonwealth Gas Pipeline Corporation, formerly CNG Transmission Company, to own and operate facilities in Spotsylvania County, Virginia, shall be canceled;

4) That the approvals granted herein shall not preclude the Commission from exercising 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 in connection with the authority granted herein, whether or not such affiliate is regulated by this Commission, pursuant to Section 56-79 of the Code of Virginia hereafter; and

6) That this matter be continued until October 31, 1990, for the presentation by Applicants on or before said date of a report of the action taken pursuant to the authority granted herein, such report to include the accounting entries reflecting the transfer and balance sheets reflecting the action taken.

CASE NO. PUA900053
SEPTEMBER 7, 1990

APPLICATION OF
DELMARVA POWER AND LIGHT COMPANY

For authority to establish nuclear fuel financing

ORDER GRANTING AUTHORITY

Delmarva Power and Light Company ("Delmarva" or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to finance its interest in the Salem Nuclear Generating Station's ("Salem", "Facility") nuclear fuel stock and future nuclear fuel purchases. Applicant has paid the requisite fee of $250.

Delmarva jointly owns, as tenant-in-common, Units 1 and 2 of Salem in Salem County, New Jersey. The other tenants-in-common are Philadelphia Electric Company ("PE"), Atlantic City Electric Company ("AE"), and Public Service Electric and Gas Company ("PSE&G"). Salem is operated by PSE&G and has a summer capacity of 2,212 megawatts of which Delmarva is entitled to 164 megawatts, or 7.41%.

On November 24, 1971, Delmarva entered into an Owners Agreement with PE, AE, and PSE&G whereby PSE&G, as operator of the Facility, agreed to purchase all of the nuclear fuel needs for the Facility. Under this arrangement, PSE&G, in turn, bills each tenant-in-common for the Facility's nuclear fuel based on each tenant's proportionate ownership interest.

Delmarva proposes to finance its ownership interest in nuclear fuel at Salem through a non-affiliated third party, Bayshore Fuel Company ("Bayshore"), under a financing arrangement similar to one approved by the Commission on February 20, 1990, in Case No. PUA890058 with respect to financing Delmarva's nuclear fuel at the Peach Bottom Nuclear Generating Station.

Delmarva will sell its 7.41% ownership interest in the nuclear fuel inventory to Bayshore for approximately $16 million. Delmarva, in turn, will enter into a Nuclear Energy Contract with Bayshore whereby Delmarva will agree to pay for the fuel as it is consumed. Bayshore will assume responsibility for financing the existing nuclear fuel inventory as well as all future nuclear purchases at Salem. Commercial paper, issued for Bayshore by Lord Securities, the management company, is backed by a revolving credit agreement between Bayshore and First National Bank of Chicago ("Agent Bank") and will serve as the financing vehicle. The Agent Bank's security for the revolving credit agreement will be the Nuclear Energy Contract. The rate on Bayshore's commercial paper is anticipated to be based on Delmarva's commercial paper rating. Delmarva will be billed monthly by Bayshore for an energy charge based on the BTU's generated during the month and interest expense on the unamortized balance of fuel in the reactor. The amount of financing, which will vary depending on inventory levels and cost, is not expected to exceed $24,000,000.

THE COMMISSION, upon consideration of said application and representations of Applicant and having been advised by its Staff, is of the opinion that approval of the above described financing does not appear to be detrimental to the public interest. Accordingly;

IT IS ORDERED:

1) That Delmarva Power and Light Company is authorized to enter into a Nuclear Energy Contract for the purpose of financing existing nuclear fuel stock and future nuclear fuel purchases for its 7.41% ownership interest in the Salem Nuclear Generating Station, under the terms and conditions as set forth in the application;

2) That within 30 days of closing on the arrangement, Applicant shall provide the Commission with a verified copy of the Nuclear Energy Contract, as well as other financing documents executed in this matter, an itemization of the expenses incurred in connection therewith and a balance sheet reflecting the action taken;

3) That Bayshore shall not be subject to the Commission's jurisdiction under Title 56 of the Code of Virginia as a public utility or public service company, by virtue of its participation in this transaction;

4) That the authority granted herein shall have no implication in ratemaking proceedings; and

5) That this matter be continued until November 1, 1991, for the presentation by Applicant, on or before said date, of a report of the action taken pursuant to the authority granted herein, such report to include copies of the monthly summary reports received from Lord Securities detailing all trades and fees incurred under the Nuclear Energy Contract.

CASE NO. PUA900054
AUGUST 10, 1990

APPLICATION OF
DELMARVA POWER AND LIGHT COMPANY

For authority to issue and sell common stock

ORDER GRANTING AUTHORITY

On July 19, 1990, Delmarva Power and Light Company ("Applicant" or "Delmarva"), filed its application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to issue and sell up to 3,500,000 shares of common stock through a public offering. The issuance and sale will raise approximately $60,000,000 of common equity. Applicant has paid the requisite fee of $250.

Delmarva proposes to register with the Securities and Exchange Commission and issue up to 3,500,000 shares of its common stock during the fourth quarter of 1990 or the first quarter of 1991. Common shares will be sold to the public through underwriters at a price based on the market price of Applicant's outstanding common stock at the time of offering. The net proceeds to Applicant will reflect the sales price, less costs of issuing and selling the stock. The exact number of shares issued and the proceeds derived from such sale will be determined based upon the price of the common stock at the time of the sale.

Company represents that funds obtained from the proposed common stock financing will be used to fund its ongoing construction program, and for other proper corporate purposes specified in Virginia Code Section 56-58.

THE COMMISSION, upon consideration of said application and having been advised by its Staff, is of the opinion and finds that approval of the above described common stock financing will not be detrimental to the public interest; Accordingly,

IT IS ORDERED:

1) That Applicant is authorized to issue and sell up to 3,500,000 shares of common stock through a public offering all in the manner, under the terms and conditions and for the purposes as set forth in the application;

2) That the authority granted herein extends from the date of this Order through June 28, 1991;

3) That Applicant shall submit a preliminary report within seven (7) days after the issuance of common stock pursuant to this Order, which shall provide the date and amount of the issue, sales price, net proceeds and an explanation for the timing of the issue;

4) That within sixty (60) days after the offering Applicant shall file a more detailed report with respect to the issue which shall provide:

a. The date and amount of the issue, the sales priceand the net proceeds to Applicant;

b. The actual issuance expenses, itemized, including:

   i. a copy of all contracts, underwritings and other agreements for the sale or marketing of the issue,

   ii. agent's fees along with the name of the agent(s) selling each issue, and

   iii. any affiliation, direct or indirect, through directors, stockholders or ownership of securities between Applicant and the agent(s);

c. Change in capital structure due to issue;

d. Change in return on equity due to issue;

e. A revised balance sheet including the new issue;

f. A copy of each prospectus filed with the SEC, as well as any other regulatory statements filed in connection with the common shares sold; and

g. A statement showing the purposes for which the net proceeds were used;

5) That Applicant shall respond promptly and fully to any Staff requests for information in connection with the financing program; and

6) That this matter be continued to August 31, 1991, subject to the continuing review, audit and appropriate directive of this Commission.

CASE NO. PUA900055
AUGUST 14, 1990

APPLICATION OF
UNITED CITIES GAS COMPANY

For authority to incur short-term indebtedness

ORDER GRANTING AUTHORITY

United Cities Gas Company ("United Cities" or "Applicant") has filed an application under the Public Utilities Securities Law requesting authority to increase its authorized short-term debt limit. Applicant has paid the requisite fee of $250.

United Cities requests authority to increase its authorized short-term debt limit to an aggregate amount outstanding not to exceed $60,000,000 through the calendar 1991. United Cities is currently authorized to incur up to $20 million, however, Applicant has had short-term debt levels in excess of $20 million, a violation of its authority.

The increase in short-term debt will be accomplished through existing lines of credit under a Master Note program. The interest rates will be negotiated at the time of the draw-down, with principal and interest paid on a set maturity date. Applicant states that the additional funds will be used to increase its working capital and for the construction, extension, improvement, and/or addition to its facilities.

THE COMMISSION, upon consideration of said application and representations of Applicant and having been advised by its Staff, is of the opinion that approval of the application will not be detrimental to the public interest. However, the Commission is very concerned about Applicant's apparent disregard for Chapter 3 of Title 56 of the Code of Virginia, therefore Staff will strictly monitor all future financing activities of United Cities. Accordingly,

IT IS ORDERED:

1) That United Cities Gas Company is authorized to issue short-term debt in an aggregate amount outstanding not to exceed $60,000,000 at any one time, from the date of this Order through December 31, 1991, under the terms and conditions and for the purposes as set forth in the application;

2) That the authority granted herein does not relate retrospectively to any unauthorized short-term indebtedness outstanding on the date hereof;

3) That Applicant shall take all necessary steps to avoid violating Chapter 3 of Title 56 of the Code of Virginia;

4) That Applicant's future financing activities be closely monitored by Staff for compliance with Chapter 3 of Title 56 of the Code of Virginia; and

5) That Applicant file, within 30 days of the end of each quarter, a report including the date, amount and 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, and the associated costs, as well as a balance sheet reflecting the action taken.

CASE NO. PUA900055
SEPTEMBER 7, 1990

APPLICATION OF
UNITED CITIES GAS COMPANY

For authority to incur short-term indebtedness

AMENDING ORDER

By Order dated August 14, 1990, United Cities Gas Company ("Applicant") was authorized to issue short-term debt in an aggregate amount outstanding not to exceed $60,000,000 at any one time through December 31, 1991. Pursuant to ordering paragraph (5) of said Order, Applicant is required to file a report within 30 days of the end of each quarter. By letter dated September 4, 1990, Applicant requested that the August 14, 1990 Order be amended to allow 60 days from the end of each quarter to file its report. In support of the requested amendment, Applicant states that its accounting records are not closed until several days before the end of the month making compliance with the Commission's Order "extremely difficult".

IT NOW APPEARING to the Commission that Applicant's request is reasonable and that ordering paragraph (5) of the Commission's August 14, 1990 Order should be amended; Accordingly,

IT IS ORDERED:

1) That ordering paragraph (5) of the August 14, 1990 Order be amended to read as follows:

> 5) That applicant file, within 60 days of the end of each quarter, a report including the date, amount and interest rate of each drawdown, 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, and the associated costs, as well as a balance sheet reflecting the action taken;

2) That all other provisions of the August 14, 1990 Order, shall remain in full force and effect; and

3) That this matter be continued until February 28, 1992, subject to the continuing review, audit, and appropriate directive of this Commission.

CASE NO. PUA900056
NOVEMBER 21, 1990

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For authority to enter into spot gas purchase contracts with affiliates, CNG Producing and CNG Trading

ORDER GRANTING AUTHORITY

On August 24, 1990, Virginia Natural Gas, Inc. ("VNG", "Applicant") filed an application with the Commission under the Public Utilities Affiliates Act for approval of VNG's May 1990 spot gas purchases from an affiliate, CNG Producing ("Producing") and for authority to enter into spot gas contracts with Producing in the future when Producing's bid price, plus transportation charges to VNG's system, is within the range of acceptable bids for the period. On October 23, 1990, VNG filed an amendment to its application requesting that VNG be authorized to enter into spot gas contracts with another affiliate, CNG Trading ("Trading") when Trading's bid price, plus transportation charges to VNG's system, is at least as low as gas available to VNG from other spot gas suppliers at the time VNG enters into spot gas purchase contracts for the period.

VNG represents that each month it solicits to buy natural gas on the spot market to meet its projected needs with the lowest average delivered price of gas it can obtain. In the middle of the month prior to the month for which the gas will be purchased, VNG receives bids from various producers or marketers of gas for spot gas sales for the following month. VNG determines whether pipeline transportation capacity to transport the gas offered to VNG's system can likely be acquired, and the total delivered price of the producers' bids including the applicable transportation charges. After determining the quantity of gas to purchase for the month, VNG enters into contracts for spot gas with the lowest price bidders for deliveries to be received the following month.

VNG states that there are other factors besides price that can enter into a decision as to which spot market supplies offered for sale to VNG will be purchased by VNG. These factors, which could result in an accepted price above the lowest bid, include: whether the low bid was received by VNG after some or all purchase commitments had been made by VNG to other suppliers, whether the low bid is available when VNG attempts to commit to a purchase because the supply might have been previously purchased by another buyer (spot market supplies are typically offered subject to prior sale), whether interruptible pipeline transportation is available on pipeline systems between the supply source and the VNG distribution system, and whether VNG needs to transport gas through certain advantageous points on interstate pipeline systems to maintain a high position in the queue for interruptible transportation capacity at those points, which could yield net gas supply savings at a later date.

Applicant states in its application and in its amendment that Producing and Trading have from time to time submitted bids to VNG for monthly spot gas purchases. Producing submitted a bid which was the lowest delivered-to-VNG price for May 1990 contracts. Because transportation capacity was available for this gas, and because the delivered price of Producing's gas, including transportation charges, was also the lowest, Applicant purchased from Producing 3,896 Dth/day pursuant to a letter agreement dated May 3, 1990.

Applicant states that in reviewing its May 1990 spot gas contracts, VNG discovered that it had not received Commission approval for the spot gas purchases from CNG Producing. Applicant represents that it did not intend to circumvent the requirements of any applicable law or regulation by purchasing gas from an affiliate without Commission approval. VNG bought gas from Producing in the normal course of business simply because Producing's gas was among the lowest cost gas available for May 1990 spot gas contracts. VNG is not seeking authority in this application for permission to enter into long-term interruptible or firm service contracts but only for spot gas contracts.

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 May 1990 spot gas contract between VNG and Producing represented the lowest delivered-to-VNG price during the period in which spot gas purchases were necessary to meet its needs and was in the public interest and, therefore, should be approved. The Commission is of the further opinion, however, that future contracts with CNG Producing and CNG Trading for spot gas purchases as described in the application should be closely monitored to protect the public interest. In light of the need to closely monitor such contracts,the Commission is of the opinion and finds that approval fora three-year period would be in the public interest whensuch contracts represent the ability of VNG to make spot gas purchases at the quantity needed, that the affiliate can provide reliable delivery, and the delivered-to-VNG price represents the lowest bid among bids submitted by non-affiliates as well as affiliates. Accordingly,

IT IS ORDERED:

(1) That the May 1990 gas purchase contract pursuant to the letter agreement dated May 3, 1990, between VNG and CNG Producing is hereby approved;

(2) That VNG is authorized to enter into future spot gas purchase contracts with CNG Producing and CNG Trading as described in the application for three years from the date of this Order as long as bids are solicited from non-affiliates as well as affiliates, the affiliate can provide the quantity of gas needed and can provide reliable delivery, and the delivered-to-VNG cost, including applicable transportation charges, represents the lowest cost among the bids received;

(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 approvals granted herein shall in no way assure VNG recovery of such costs in the PGA/ACA and shall have no other ratemaking implications;

(5) That the approvals granted herein shall not preclude the Commission from exercising 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 in connection with the authority granted herein, whether or not such affiliate is regulated by this Commission, pursuant to Section 56-79 of the Code of Virginia hereafter;

(7) That Applicant shall file a report with the Commission by April 1 of each year, the first of such reports to be filed on or before April 1, 1991, and the final of which shall be filed on or before April 1, 1994 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 until April 1, 1994, for the presentation by Applicant on or before said date of all reports required in paragraph (7) above, subject to the continuing, review, audit, and directive of this Commission.

CASE NO. PUA900057
OCTOBER 18, 1990

APPLICATION OF
THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY OF VIRGINIA

For authority to sell computers to an affiliate

ORDER GRANTING AUTHORITY

The Chesapeake and Potomac Telephone Company of Virginia ("C & P of Virginia", "Applicant") has filed an application under the Public Utilities Affiliates Act for authority to sell two minicomputers to The Chesapeake and Potomac Telephone Company of Washington ("Washington") at net book value at the time of sale. These computers had been previously used by C & P of Virginia as part of a four company engineering support system known as the Loop Engineering Information System ("LEIS").

Applicant represents that in order to assure that there is consistency in the database loading, backup procedures and general adminsistration of the computers used in LEIS, a decision was made to consolidate the LEIS hardware at one of Chesapeake and Potomac's major computer centers serving all four companies, the Fairland Data Center in Silver Spring, Maryland, which is owned by Washington.

THE COMMISSION, upon consideration of said application and representations of Applicant, and having been advised by its Staff, is of the opinion and finds that the above-described transfer of minicomputers from C & P of Virginia to Washington
will not be detrimental to the public interest.

IT IS ORDERED:

(1) That C & P of Virginia is authorized to sell to Washington two minicomuputers at their net book value at the time of sale as described in the application;

(2) That the approval granted herein shall not preclude the Commission from exercising 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 in connection with the authority granted herein, whether or not such affiliate is regulated by this Commission, pursuant to Section 56-79 of the Code of Virginia; and

(4) That this matter be continued until December 31, 1990, for the presentation by Applicant on or before said date of a report of the action taken pursuant to the authority granted herein, such report to include the accounting entries reflecting the sale and a balance sheet reflecting the action taken.

CASE NO. PUA900059
NOVEMBER 8, 1990

APPLICATION OF
THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY OF VIRGINIA

For authority to participate in an affiliate agreement

ORDER GRANTING AUTHORITY

The Chesapeake and Potomac Telephone Company of Virginia ("C & P", "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act for authority to participate in a contract between Bell Atlantic Network Services, Inc. ("NSI") and Bell Atlanticom Systems, Inc. ("BASI") for the purchase of data communications equipment. Under the contract, NSI purachases the data equipment on behalf of C & P and the other Bell Atlantic operating telephone companies. The term of the contract will run from March 15, 1990, through February 29, 1992.

Applicant represents that all of the Bell operating telephone companies have an ongoing need to purchase data communications equipment for use in their businesses. To meet this need, NSI entered into a two-year contract with BASI to supply the equipment beginning March 15, 1990. The contract was awarded to BASI due to the fact that BASI's overall cost was the lowest of all the vendors who bid on the contract, and BASI could provide the quickest delivery. The products and services purchased by NSI on behalf of the operating telephone companies are provided to the telephone companies at the purchase cost with no mark-up by NSI.

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 will not be detrimental to the public interest and should be approved. Accordingly, IT IS ORDERED:

(1) That Applicant is authorized to participate in the contract between NSI and BASI for the purchase of data communications equipment under the terms and conditions as described in the application;

(2) That the approval granted herein shall not preclude the Commission from exercising 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 in connection with the authority granted herein, whether or not such affiliate is regulated by this Commission, pursuant to Section 56-79 of the Code of Virginia; and

(4) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA900060
DECEMBER 13, 1990

APPLICATION OF
GTE SOUTH INCORPORATED

For authority to enter into contract with an affiliate

ORDER GRANTING AUTHORITY

GTE South Incorporated ("Company", "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act for authority to enter into a contract with GTE Data Services Incorporated ("GTEDS") for the provision of data processing and related services.

In Case No. 18705, by Order dated July 3, 1969, the Commission approved the initial contract between General Telephone Company of the Southeast (predecessor of GTE South Incorporated) and GTEDS for the provision of data processing and related services. Since that time, Company has provided the Commission with copies of various amendments and modifications to the original contract as such occurred.

Applicant and GTEDS have entered into a new contract ("Master Agreement") to be retroactively effective January 1, 1989. The Master Agreement more accurately describes the services to be provided and the technology used to provide such. It also codifies the terms and conditions

of the entire agreement between the parties in one inclusive document. Company represents that the prices to be paid for data processing and related services will be less under the new Master Agreement.

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 agreement between GTE South Incorporated and GTEDS would not be detrimental to the public interest. The Commission is of the further opinion, however, that certain safeguards are necessary in order to assure that the prices Applicant pays for such services in the future will be competitive with the market. To assure such competitiveness, the Commission is of the opinion that the above-described arrangement should be approved for a three-year period ending January 1, 1992. Accordingly,

IT IS ORDERED:

(1) That GTE South Incorporated is authorized to enter into the Master Agreement as described in the application for a three-year period ending January 1, 1992;

(2) That should Applicant wish to continue with this agreement beyond January 1, 1992, subsequent approval from the Commission shall be required;

(3) That the approvals granted herein shall not preclude the Commission from exercising 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 in connection with the authority granted herein, whether or not such affiliate is regulated by this Commission, pursuant to Section 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. PUA900061
NOVEMBER 27, 1990

APPLICATION OF
GTE SOUTH INCORPORATED

For authority to enter into contract with an affiliate

ORDER GRANTING AUTHORITY

GTE South Incorporated ("Company", "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act for authority to enter into a contract with an affiliate, Compania Dominicana de Telefonos, C. por A. ("Codetel", "Affiliate"). Codetel is a corporation organized under the laws of the Dominican Republic. It is a non-domestic telephone operating company which provides telecommunications services within the Dominican Republic. Codetel additionally provides certain engineering and technical support services, for hire, to other telephone operating companies. Codetel is a wholly-owned subsidiary of GTE Corporation, causing it to be an affiliate of GTE South as contemplated by Section 56-76 of the Code of Virginia.

Under the proposed contract, Affiliate will provide certain services to convert Company's manual outside plant continuing property records ("CPRs") into a digital computerized format. The conversion utilizes an Interactive Computer Graphic System ("ICGS") which is a computer-aided design system. Applicant represents that the conversion will permit it to reduce the amount of engineering labor which would otherwise be required in the future to maintain its outside plant CPRs. The proposed term of the contract is for a period of four years from June 1, 1990, renewable by mutual consent.

Company represents that Codetel has the resources necessary to perform the tasks required by the contract at prices which, in the opinion of management, are fair, reasonable, and below the cost which Company would incur if it performed the services itself or obtained such through other known vendors.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that the above-described arrangement will not be detrimental to the public interest. However, the Commission is of the further opinion that approval should be granted for the initial four year period beginning June 1, 1990. Additional approvals should be required for continuation of the contract. Accordingly,

IT IS ORDERED:

(1) That GTE South Incorporated is authorized to enter into the contract with Codetel as described in the application for four years beginning with June 1, 1990;

(2) That should Applicant desire to renew the contract beyond the initial four-year period, subsequent Commission approval must be obtained;

(3) That the approval granted herein shall not preclude the Commission from exercising 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 in connection with the authority granted herein, whether or not such affiliate is regulated by this Commission, pursuant to Section 56-79 of the Code of Virginia hereafter; and

(5) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA900063
NOVEMBER 6, 1990

APPLICATION OF
COMMONWEALTH GAS PIPELINE CORPORATION
COMMONWEALTH GAS SERVICES, INC.

For authority to transfer an interest in capacity to affiliate and enter into related affiliate agreements

ORDER GRANTING AUTHORITY

Commonwealth Gas Pipeline Corporation ("Pipeline") and Commonwealth Gas Services, Inc. ("Services"), (collectively, "Applicants"), have filed an application with the Commission under the Public Utilities Affiliates Act (the "Affiliates Act") for authority to transfer an undivided interest in capacity of certain gas pipeline facilities (the "Capacity Interest") from Pipeline to Services.

By Supplementary Petition filed August 17, 1990, in Case No. PUA900041, Pipeline requested authority to transfer Capacity Interests to Commonwealth Gas Services, Inc., Virginia Natural Gas ("VNG"), and the City of Richmond, Department of Public Utilities ("Richmond"), (collectively, "Distributor Customers"). By Order dated September 25, 1990, the Commission directed Pipeline to file an application under the Affiliates Act for approval of the transfer of a Capacity Interest from Pipeline to Services, including any maintenance and operating agreements between Pipeline and Services which will be effective if the transfer of Capacity Interest takes place.

Pursuant to the Commission's September 25, 1990 Order, Pipeline and Services have filed a joint application for authority to transfer from Pipeline to Services an undivided capacity interest in certain gas pipeline facilities and to enter into an Operating Agreement and for approval of the Statement of Merger Principles relative to such Capacity Interest. The purchase price of the Capacity Interest will be the net book value of the facilities at the time of sale grossed up for taxes. Services' share of the sale price will be based on the ratio of its capacity interest, expressed in daily firm quantities, compared to the total capacity of the Pipeline transmission system on the day preceding the date of the merger. The transfer is expected to take place immediately prior to the proposed merger of Commonwealth Gas Pipeline and Columbia Gas Transmission Corporation ("Columbia").

Applicants represent that the undivided interest in capacity of the facilities to be transferred to Services will be equivalent to the maximum daily quantity of 6,600 Dth/day on the system owned by Transcontinental Gas Pipe Line Corporation ("Transco") previously owned by Services. Services' capacity will consist of the following:

(1) The entitlement to move up to its applicable maximum daily quantity of 6,600 Dth/day of gas from the interconnection between Pipeline's transmission system and that of Transco at Emporia, including any receipt point added pursuant to the Operating Agreement designated as a Primary Receipt Point on a firm basis to Pipeline's delivery point or points with Services in existence on the date of the Deed and Bill of Sale, and as added pursuant to the Statement of Merger Principles, as well as the point at which gas may be delivered into Commonwealth Pipeline's LNG Storage facility located in Chesapeake, Virginia;

(2) The entitlement to move up to its applicable maximum daily quantity of gas from the Primary Receipt Point to any of Pipeline's delivery points to VNG or the City of Richmond in existence on the date of the Deed and Bill of Sale, and as added pursuant to the Statement of Merger Principles, ("Secondary Delivery Point") subject to interruption or curtailment by Pipeline, but only following Pipeline's interruptible sales and transportation services and only if necessary to avoid interruption or curtailment of firm deliveries by Pipeline; Services shall, however, limit deliveries to the Second Delivery Points, as necessary to maintain total deliveries for such points within the sum of all firm contractual obligations between Pipeline and the entity receiving such deliveries, plus such entity's capacity interest ("Total Firm Entitlement");

(3) The entitlement to move up to its applicable maximum daily quantity of gas from the points of interconnection between the transmission systems of Pipeline and Transco (other than the Primary Receipt Point) or others ("Secondary Receipt Point"), to any of the Primary or Secondary Delivery Points, or any combination; however, between November 1 and March 31 of each year, Services shall be entitled to utilize the Secondary Receipt Point from Transco located in Louisa County (known as Boswell's Tavern) in this manner only if the cumulative quantities of gas received from the undivided interest in the transmission capacity interests utilized by VNG, Services and the City of Richmond do not exceed 27,316 Dth/day at that point and provided that Pipeline will receive from all entities at Boswell's Tavern a cumulative quantity of gas which exceeds 27,316 Dth/day between November 1 and March 1 of each year only under such conditions as this gas may be received without impairing Pipeline's ability to meet its other delivery obligations.

In connection with the above-described transfer of Capacity Interest, Applicants propose to enter into an Operating Agreement providing for the operation and maintenance of the Commonwealth Pipeline System. Under the proposed agreement, Pipeline, to become Columbia after the merger, will operate and maintain the facilities and will invoice each capacity owner for the applicable operation and maintenance costs on a monthly basis. Applicants also propose to enter into a Statement of Merger Principles, which among other things, states that each Distributor

Customer will bear its proportionate share of the cost of operating, maintaining, repairing and replacing the facilities, property taxes, and all other prudently incurred costs which arise after the merger in connection with operation of the facilities. Each Distributor Customer's share of said expenses will be calculated by applying the ratio of its undivided interest in the Pipeline facilities compared to the total capacity of the Pipeline system.

Applicants represent that the proposed transfer will ensure that Services will maintain a direct connection and customer relationship with Transco through the Emporia receipt point following the impending merger of Pipeline and Columbia. Applicants further represent that the character of service to both firm and interruptible customers served by Services will not change. The capacity of the Pipeline system has always been available to Services on a firm basis under its contract with Pipeline. The proposed transfer will enable Services to own the capacity on the Pipeline system for services from Transco instead of merely having contractual rights to use said capacity.

THE COMMISSION, upon consideration of said application and representations of Applicants, and having been advised by its Staff, is of the opinion and finds that the above-described transfer of interest in capacity of certain gas pipeline facilities as well as the related Operating Agreement and Statement of Merger Principles as described herein will not be detrimental to the public interest and should be approved. Accordingly,

IT IS ORDERED:

1) That Commonwealth Gas Pipeline Corporation is authorized to transfer to Commonwealth Gas Services, Inc. an undivided interest in capacity of certain gas pipeline facilities as described in the application;

2) That Commonwealth Gas Pipeline Corporation and Commonwealth Gas Services, Inc. are authorized to enter into the Operating Agreement and Statement of Merger Principles as described in the application;

3) That, upon closing of the sale of the Capacity Interest, the sale price (less taxes) shall be credited against the related utility plant accounts;

4) That the approvals granted herein shall have no ratemaking implications;

5) That the approvals granted herein shall not preclude the Commission from exercising the provisions of Section 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 Section 56-79 of the Code of Virginia; and

7) That this matter shall be continued until December 31, 1990, for the presentation by Applicants on or before said date of a report of the action taken pursuant to the authority granted herein, such report to include the accounting entries reflecting the transfer on the books of Applicants and balance sheets reflecting the action taken.

CASE NO. PUA900065
DECEMBER 20, 1990

APPLICATION OF
ROANOKE & BOTETOURT TELEPHONE COMPANY

For authority to enter into affiliate transactions

ORDER GRANTING AUTHORITY

Roanoke & Botetourt Telephone Company ("R & B", "Company", "Applicant") has filed an application under the Public Utilities Affiliates Act in which it requests authority to transfer toR & B Network ("Network") its interLATA, interexchange ("IX") assets in exchange for a five year note equal to the net book value of such IX assets and to enter into a service agreement with Network in connection with the assets transfer. Company has also filed an application with the Commission to cancel its Certificate of Public Convenience and Necessity ("Certificate") for the provision of IX services and to reissue this Certificate to Network.

Company represents that it believes it would be appropriate for all of the IX services which it currently offers to be provided by Network. The provision of all such services by Network and all local exchange services by R & B will allow R & B to focus better on its own business segment and to avoid confusion in the marketplace. Network's management team will utilize certain services from Company and reimbursement for such services will be made at full cost.

Company proposes to transfer to Network the types of assets, such as fiber optic cable, related terminating equipment and all appropriate real estate, required for IX services. Company's investment in these facilities, both in service and under construction, was $1,721,787 at June 30, 1989. Payment for such assets will be secured by a five year note equal to the net book value of those assets valued on the date of transfer. The assets to be transferred represent only 9.6% of Company's cable currently providing service to R & B's local exchange customers. Applicant will pay for the use of these fiber optic cables pursuant to the affiliates agreement described herein.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion that the proposed agreements do not appear to be detrimental to the public interest. Accordingly,

IT IS ORDERED:

(1) That Roanoke & Botetourt Telephone Company is authorized to transfer to R & B Network its interLATA, interexchange assets in exchange for a five year note equal to the net book value of such IX assets on the date of transfer;

(2) That Roanoke & Botetourt Telephone Company is authorized to enter into the affiliates agreement as described in the application;

(3) That should the terms and conditions of the affiliates agreement change from that described in the October 23, 1990 application, Commission approval shall be required for such changes;

(4) That approval of this 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; and

(6) That this case be continued until March 1, 1991, for the presentation by Applicant on or before said date, of a report of the action taken pursuant to this Order, such report to include the date of transfer of assets, the amount of sale, the accounting entries reflecting the transfer, and a balance sheet reflecting the action taken.

CASE NO. PUA900067
DECEMBER 20, 1990

APPLICATION OF
THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY OF VIRGINIA

For authority to participate in affiliate agreement

ORDER GRANTING AUTHORITY

The Chesapeake and Potomac Telephone Company of Virginia ("C&P" or "Company") has filed an application with the Commission, in accordance with the Public Utilities Affiliates Act, for authority to participate in an agreement with Bell Atlanticom Systems, Inc. ("BASI").

Under the proposed agreement, C&P would market both C&P's network services and BASI's line of customer CPE and related services. Under the agreement with BASI, the C&P account executives would identify and recommend to business customers the combination of C&P and BASI products and services that best satisfy their requirements. BASI would then install, provide, maintain and bill customers for any BASI equipment. The C&P account executives would receive a commission on the sale of BASI products and services. BASI would reimburse C&P for the amount of the sales commission and the associated incremental employee benefit and payroll costs, along with any other Part 64 costs incurred.

THE COMMISSION, upon consideration of said application and representations of Company and having been advised by its Staff, is of the opinion and finds that approval of the arrangement with Bell Atlanticom Systems, Inc. will not be detrimental to the public interest and should be approved. Accordingly,

IT IS ORDERED:

1) That Company is authorized to participate in the agreement with BASI to market its line of customer CPE and related services as described in the application;

2) That approval of this application 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, in the event the provisions in the agreement as described in the application change, Company shall seek approval from the Commission for such changes; and

5) That there appearing nothing further to be done in this matter, the same be, and it hereby is, closed.

CASE NO. PUA900068
DECEMBER 20, 1990

APPLICATION OF
UNITED INTER-MOUNTAIN TELEPHONE COMPANY

For authority to loan or advance funds to parent United Telecommunications, Inc.

ORDER GRANTING AUTHORITY

United Inter-Mountain Telephone Company ("Company") has filed an application under the Public Utilities Affiliates Act for authority to continue to loan or advance funds to United Telecommunications Inc. ("UTI") from time to time, the total outstanding amount not to exceed $15,000,000 at any one time. Such advances would be on demand and would bear interest payable monthly, such interest to be determined by the Thirty-Day Commercial Paper Index as published by the Federal Reserve, plus forty-five basis points. The Company states that it is a wholly-owned subsidiary of UTI and requests that the agreement be approved for a one year period ending on December 31, 1991.

THE COMMISSION, upon consideration of said application and having been advised by its Staff, is of the opinion that approval of the above described arrangement will not be detrimental to the public interest and should be approved; accordingly,

IT IS ORDERED:

1) That the Company is authorized to loan or advance funds from time to time to UTI, the total outstanding amount not to exceed $15,000,000 at any one time, under the terms and conditions as described in the application;

2) That, should the Company desire to continue such an arrangement beyond December 31, 1991, an application be filed with the Commission for subsequent approval;

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 shall maintain the authority to inspect the accounting records and books of any Company affiliate as necessary as pertains to this approval; and

5) That this matter be continued to February 28, 1992, for the presentation by the Company, on or before said date, of a report of the action taken in accordance with the authority granted in this Order; such report to include a schedule of funds loaned to UTI detailing the date of advance, amount, interest rate, date of repayment and use of loan proceeds; a schedule of short-term borrowings by the Company showing the date of borrowing, amount, maturity, interest rate, and use of proceeds; and a balance sheet reflecting the action taken.

CASE NO. PUA900071
DECEMBER 28, 1990

APPLICATION OF
AMELIA TELEPHONE CORPORATION

For authority to enter into affiliated arrangement

ORDER GRANTING AUTHORITY

By Commission Order dated July 2, 1980, Amelia Telephone Corporation ("Company", "Applicant") was granted authority to enter into a service contract with Telephone Systems Service Division ("Service Division"), a subsidiary of Telephone and Data Systems, Inc. ("TDS").

On November 20, 1990, Applicant filed an application for authority to enter into an amended service agreement with Telephone and Data Systems, Inc. and TDS Telecommunications Corporation ("TDSTC"). Under the proposed amendment, TDSTC, a new subsidiary of the TDS systems, would provide some services to Applicant that were formerly provided directly by TDS. As described in the amendment, TDS has formed a new corporation, TDSTC, for the purposes of serving as an entity to hold all of the stock of local telephone companies formerly held by TDS directly, and therefore, segregating such telephone companies from the other enterprises of TDS more effectively than was previously possible.

The amendment also states that TDS is in the process of transferring to TDSTC all of the stock in local telephone companies which it has, and further transferring to TDSTC all of the Service Division employees who are engaged in providing services to such telephone companies at the TDS Madison office.

According to the amendment, TDS would continue to render general corporate services from its Chicago and Madison offices of the general nature which are rendered to all of its business operations, cellular, paging, and local telephone companies. Such services would be determined and allocated to Applicant as they have been in the past without change. TDS would transfer its share ownership in Company to TDSTC, along with its ownership share in all other telephone companies, and would transfer to TDSTC those employees who have been previously employed full time in providing services to these telephone companies. TDSTC would thus provide those services to Applicant formerly provided directly by TDS and shown by the monthly bills as "TSSD" services. Those services would be generally described as administrative, plant operations, customer services, marketing, revenue requirements, telephone controller services, and REA-related services. All charges would be determined and allocated to Applicant as they have in the past except that TDSTC would be the entity providing such services and receiving payment for same.

THE COMMISSION, upon consideration of said amendment and representations of Applicant and having been advised by its Staff, is of the opinion that the proposed amendment to the service contract between Applicant and Telephone Systems Service Division would not be detrimental to the public interest.However, the Commission is of the further opinion that when TDSTC performs services for two or more companies, the costs will be allocated to the companies based on the ratio of each company's number of main stations to the total number of main stations of all the companies receiving the services. The Commission is of the further opinion that TDSTC should charge Applicant a return on invested capital of no more than 14% for services provided. Accordingly,

IT IS ORDERED:

(1) That Applicant is authorized to enter into the service contract with TDS and TDSTC as described in the application and the November 20, 1990, amendment with the stipulation that any billings to Applicant containing a return component exceeding 14 percent must be adjusted quarterly to reflect a maximum return component of 14%;

(2) That the Applicant shall secure Commission approval for any subsequent changes in the agreement or the allocation methods and procedures as approved herein;

(3) That Applicant shall respond promptly and fully to any Staff requests for information in connection with the authority granted herein;

(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 there appearing nothing further to be done in this matter, the same be, and it hereby is, closed.

DIVISION OF COMMUNICATIONS

CASE NO. PUC870032
AUGUST 13, 1990

APPLICATION OF
GENERAL TELEPHONE COMPANY OF THE SOUTH

For approval of its plan to deregulate embedded customer premises equipment

FINAL ORDER

Pursuant to the Commission's final order of August 19, 1985, in Case No. PUC850005, General Telephone Company of the South (now GTE South) submitted a plan on July 17, 1987 to deregulate its customer premises equipment (CPE). Under the plan and our order entered October 21, 1987 herein, GTE South deregulated its CPE on October 31, 1987.

The docket was left open following the October 31, 1987 deregulation of GTE South's CPE in order to determine if some equipment had been sold to customers at prices different from net book value prior to deregulation. There is no evidence to confirm that such sales occurred or if any customers were charged an improper price. In the absence of such findings, this matter should be closed.

Accordingly, IT IS THEREFORE ORDERED that this docket is dismissed and the record developed herein shall be placed in the file for ended causes.

CASE NO. PUC880017
JANUARY 19, 1990

APPLICATION OF
GTE SOUTH

Annual Informational Filing

FINAL ORDER

This matter was docketed May 17, 1988, upon receipt of the documents necessary to complete GTE South's (GTE's) 1988 Annual Informational Filing (AIF). On that same date, the Commission approved a rate reduction in GTE's 1987 AIF (Case No. PUC870029) to reflect the lowering of the federal corporate income tax rate to 34% and ordered that the investigation of GTE's financial condition be continued in the present docket.

While the investigation of GTE's financial condition was proceeding, the Commission was engaged in developing its Experimental Plan for Alternative Regulation of Virginia Telephone Companies (the Plan). The Plan was adopted December 15, 1988, in Ex Parte: In the matter of promulgating an experimental plan for the optional regulation of telephone companies, Case No. PUC880035, 1988 SCC Ann. Rep. 249. This AIF and GTE's participation in the Plan are inextricably linked because Paragraph 2 of the Plan provides: "An initial rate reduction will be part of the (P)lan, based upon March 31, 1988, Annual Informational Filings (AIFs), a subsidiary capital structure, and a range of return on equity of 12% - 14%."

GTE filed its 1988 AIF on March 31, 1988, but, as noted above, it was not complete until May 17 and, unlike the case of four other telephone companies that were eligible to adopt the Plan, the Staff investigation of GTE's filing was not completed by December 31, 1988. Nonetheless, GTE wished to participate in the Plan and filed a letter of intent, together with tariffs reducing its rates by $301,556 for service rendered on and after January 1, 1989.

GTE was permitted to participate in the Plan pending completion of the investigation of its AIF. The Staff investigation was completed and its report was filed April 3, 1989. GTE disagreed with the Staff's finding of a revenue excess and refused to reduce rates an additional $1,086,767, based upon a 13% return on equity, to $1,275,845, based upon a 12% return on equity, as urged. The Staff filed a motion April 4, 1989, requesting that GTE be compelled to reduce rates within that range or, alternatively, that the Company be removed from the Plan and a general rate investigation be initiated.

By order dated April 18, 1989, the Commission scheduled a hearing and established a procedural schedule to consider the Staff's motion. The matter was assigned to Hearing Examiner Glenn P. Richardson, who conducted hearings on June 6 and 7, 1989. Counsel appearing were Thomas R. Parker, Esquire, Wayne L. Goodrum, Esquire, and Richard D. Gary, Esquire, for GTE and Robert M. Gillespie, Esquire, for the Commission Staff. The Examiner issued his 26-page report November 30, 1989, and GTE filed comments thereon December 15, 1989.

The Hearing Examiner's Report discusses numerous disputed accounting adjustments. After reviewing the evidence and the applicable law, he made the following overall findings:

(1) The use of a test year ending December 31, 1987, is proper for purposes of determining GTE's compliance with the Plan;

(2) Telephone companies electing to participate in the Plan must reduce rates, effective January 1, 1989, to produce a return on equity between 12.0% and 14.0%;

(3) A reasonable cost of equity to determine GTE's compliance with the Plan is 13.0% which represents the midpoint of the equity range specified by the Plan;

(4) GTE's weighted cost of capital as of December 31, 1987, is 11.021%;

(5) GTE's initial rate reduction of $301,556, effective for service on and after January 1, 1989, is insufficient under the Plan because the reduction produces a rate of return exceeding the Company's 11.021% cost of capital under the Plan;

(6) The Staff's Motion to Compel Rate Reduction should, therefore, be granted and GTE should be directed to file revised tariffs designed to reduce its rates by an additional $719,840, retroactive to January 1, 1989, if GTE is to continue its participation in the Plan;

(7) GTE should refund, with interest at a rate specified by the Commission, all revenues in excess of that found just and reasonable under the Plan; and

(8) GTE's interim rates should be continued in effect and a general rate investigation ordered if the Company refuses to file revised tariffs reducing its rates by $719,840, retroactive to January 1, 1989.

The Commission has studied the Examiner's Report and GTE's comments thereon. The Examiner has made a thorough analysis of the issues. His conclusion that GTE should reduce rates by an additional $719,840 is well founded and should place GTE on the same basis as the other four telephone companies that are participating in the Plan.

We will adopt the result recommended by the Examiner in this case. Because of the unique nature of this case and the investigation preceding it, other telephone companies and other public utilities should not look upon our findings herein as precedent for accounting adjustments or cost of capital treatment in future rate proceedings. On the facts of this case, the Examiner's findings produce just and reasonable rates. Any rate filings made by GTE hereafter will be closely scrutinized for proper allocations to Virginia. Accordingly,

IT IS, THEREFORE, ORDERED:

(1) That the Commission Staff's Motion to Compel Rate Reduction is hereby granted, but not in the amount urged by the Staff. GTE is directed, within thirty (30) days of this order, to file tariffs with the Commission's Division of Communications which would reduce its rates by an additional $719,840;

(2) That on or before April 1, 1990, GTE shall refund, with interest as directed below, all revenues collected from the application of its interim rates since January 1, 1989, in excess of the rates ordered to be filed herein;

(3) That the interest upon the refund ordered above shall be computed from the date payment of each monthly bill was due, subsequent to January 1, 1989, 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 above may be accomplished by credit to the appropriate customer's account for current customers. Refunds to each former customer shall be made by a check to the customer's last known address when the refund amount owed is $1.00 or more. GTE 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. GTE may retain refunds owed to former customers when the individual refund amount is less than $1.00; however, GTE 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 GTE 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 May 1, 1990, GTE shall file with the Staff a document showing that all refunds have been made pursuant to this order and itemizing the costs of the refunds and accounts charged. Such itemization of costs shall include, among other things, computer costs, and the personnel-hours, associated salaries and costs for verifying and correcting the refund methodology and developing the computer programs;

(7) That GTE shall bear all costs of the refunding directed in this order; and

(8) That there being nothing further to come before the Commission, this matter shall be removed from the docket and the record developed herein placed in the file for ended causes.

CASE NO. PUC880032
AUGUST 3, 1990

THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY OF VIRGINIA
v.
VIRGINIA ELECTRIC AND POWER COMPANY

FINAL ORDER

On August 12, 1988, the Chesapeake and Potomac Telephone Company of Virginia ("C&P") filed a petition requesting the State Corporation Commission ("Commission") to investigate whether the Virginia Electric and Power Company ("Virginia Power") was unlawfully providing telephone service in C&P's certificated territory and, if so, to enjoin such activity.

On August 18, 1989, a Stipulation of Facts was filed, and on September 13, 1989, we issued an order establishing a briefing schedule. C&P and Virginia Power simultaneously filed Opening Briefs on October 6, 1989, and Reply Briefs on October 30, 1989.

In the Stipulation of Facts, the parties agreed that Virginia Power had been leasing to Wheat First Securities, Inc. ("Wheat") excess capacity on its private telecommunications system since December 9, 1988, even though Virginia Power had not been granted a certificate under the Virginia Utility Facilities Act, Chapter 10.1 of Title 56 of the Code of Virginia, to furnish telephone service to others in Virginia or to construct, enlarge, or acquire facilities to provide telephone service to others. Virginia Power's system is a private, hybrid, microwave/fiber optic telecommunications system operating within Virginia, North Carolina, and West Virginia, which Virginia Power believes is necessary to assure the reliable communications required for providing effective and safe electrical service. The component of Virginia Power's system involved in the leasing arrangement with Wheat is a fiber optic cable extending from One James River Plaza in downtown Richmond, to Innsbrook in neighboring Henrico County, all within the Richmond local exchange.

C&P argues that Virginia Power is prohibited from providing the telephone service to Wheat because Title 56 of the Code of Virginia requires that a company obtain a certificate of public convenience and necessity prior to providing such service, and the Virginia Stock Corporation Act, Title 13.1 of the Virginia Code, prohibits Virginia Power from providing both electric and telephone services within Virginia. C&P also argues that the Commission has jurisdiction over this case because the service provided to Wheat involves only intrastate, fiber optic facilities. Furthermore, according to C&P, even if Virginia Power's facility were subject only to Federal Communications Commission ("FCC") regulation, the Commission would still have jurisdiction over the company's operation as a Virginia public service corporation and could restrict it from engaging in any telephone service. C&P argues further that Virginia Power's leasing of telephone service to Wheat is not "incidental" to its electric public utility service, and therefore not permissible under Virginia law.

Virginia Power argues that it is providing service to Wheat as a private carrier rather than a common carrier, and that when private carriage service is offered on an interstate, hybrid microwave/fiber optic system, that service is authorized by federal law which preempts state regulation. According to Virginia Power, its microwave and fiber optic facilities are not separate systems but are part of a single system.

Virginia Power also argues that its service to Wheat is authorized because its Articles of Incorporation give to it "all the rights, powers and privileges conferred by the Constitution and laws of the Commonwealth of Virginia as they now or may hereafter exist." Furthermore, according to Virginia Power, Virginia Code § 13.1-620(D), which prohibits public service companies from conducting more than one kind of public service business, does not apply in this case because it allows a public service company to engage in business which is "related to or incidental to its stated business as a public service company...." Virginia Power contends that the service it is providing Wheat is incidental to its electric utility business since it is being provided as a result of excess capacity on its private telecommunications system.

For purposes of rendering our decision, we need not determine whether Virginia Power has acted as a private carrier, as urged in its pleadings and briefs, or as a common carrier, holding itself out to the general public as furnishing telephone service. Instead, we address the fundamental question of whether Virginia Power's offering of telecommunications services to an unaffiliated company is contrary to the provisions of § 13.1-620(D) of the Code.

Virginia Power contends that its offering is incidental to or related to its primary business of providing electric service. It needs an elaborate private telecommunications network to coordinate its far-flung operations in generating, transmitting, and distributing electric power. Information must flow constantly and reliably among all of its remote offices if electricity is to be delivered reliably and efficiently. Like many electric utilities, Virginia Power could have used the public telephone network for its telecommunications needs, but decided instead to own and operate its own private network.

Virginia Power alleges that when it planned its fiber optic dedicated channels between its Innsbrook facilities and its downtown Richmond headquarters at One James River Plaza, it foresaw no excess capacity and intended to use those facilities exclusively for Virginia Power purposes. However, by the time the channels were operational, advances in the speed of optical data transmission meant that Virginia Power's needs could be filled by only a portion of the channels and the remainder was excess. It made economic sense to lease the excess and receive revenue rather than to have it sit idle.

Virginia Power entered into a contract to lease capacity to a third party, Wheat. Even if that lease is viewed as private carriage, as urged by Virginia Power, the Commission believes it is outside the scope of § 13.1-620(D) as not being "...related to or incidental to its stated business..." of providing electric service. It matters not that the channels were originally designed and constructed for the exclusive communications needs of the power company and became excess only through technological advances. The providing of private carrier or common carrier facilities for the conveyance of a third party's telephone messages is beyond the scope of Virginia Power's authority to operate as an electric power public service company.

Virginia Power argues that its leasing of excess communications capacity is analogous to its leasing of pole space to telephone and cable television companies. We disagree. The leasing of pole space to other entities that need to route cables to homes is not the same as leasing the use of public service facilities which are unrelated and nonessential to the transmission or distribution of electricity to or for the public. The joint use of

poles by electric and telephone utilities is not competition with each other's service but cooperation that aids each other's service. Joint use is to be encouraged to avoid the duplication of poles. A federal statute also permits cable television attachments and avoids a further duplication of facilities. However, for an electric utility to lease its private excess telecommunications capacity to a third party is to engage in a distinctly different public service which is certificated to another, to the detriment of the latter. We find Virginia Power's business of leasing telecommunications capacity to Wheat to be unrelated to and not incidental to its stated public service business, contrary to § 13.1-620(D) of the Code. Accordingly,

IT IS THEREFORE ORDERED:

(1) That Virginia Power cease its leasing of telecommunications facilities as quickly as alternative arrangements can be made that will prevent disruption of Wheat's service;

(2) That Virginia Power, as soon as the termination is completed, submit a report to the Commission's Divisions of Communications and Energy Regulation outlining the procedures used to effect the termination and any consequences resulting therefrom;

(3) That Virginia Power provide no telecommunications service nor lease any telecommunications facilities to others hereafter without leave of the Commission; and

(4) That there being nothing further to come before the Commission, this case is dismissed and the record developed herein shall be placed in the file for ended causes.

CASE NO. PUC890021
MAY 25, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
THE REUBEN H. DONNELLEY CORPORATION,
Petitioner
v.
THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY OF VIRGINIA,
Defendant

ORDER DISMISSING PETITION WITH PREJUDICE

This matter was instituted April 27, 1989, when The Reuben H. Donnelley Corporation (Donnelley) filed its Petition for Rule to Show Cause against The Chesapeake and Potomac Telephone Company of Virginia (C&P). On May 15, 1990, Donnelley and C&P filed a Joint Motion to Dismiss Petition with Prejudice. On May 21, 1990, the Hearing Examiner issued his final report recommending that the Commission enter an order dismissing Donnelley's Petition with prejudice. The Commission adopts the Examiner's report and recommendation.

Accordingly,

IT IS THEREFORE ORDERED:

(1) That the Joint Motion filed by the parties May 15, 1990, is hereby granted and Donnelley's Petition is dismissed with prejudice; and

(2) 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. PUC890024
DECEMBER 21, 1990

APPLICATION OF
AT&T COMMUNICATIONS OF VIRGINIA, INC.

To require local exchange carriers to discontinue offering Inter-LATA Circle Calling and Tele-Plan as if they were AT&T services

INTERIM ORDER

On May 8, 1989, AT&T Communications of Virginia, Inc. ("AT&T") filed its Petition asking this Commission to require three local exchange carriers, North River Telephone Cooperative, Contel of Virginia, Inc., and Central Telephone Company of Virginia, Inc., to discontinue offering Inter-LATA, Circle Calling, and Tele-Plan as if those were AT&T services.

We hereby direct the four companies to negotiate an agreement which allows the subscribers of the three LECs to continue receiving the full extent of their Circle Calling and Tele-Plan services. Under this agreement the three LECs will continue offering Circle Calling and Tele-Plan, the LECs will bill their customers at their tariffed rates and retain all revenues. AT&T will provide the Inter-LATA transport for the LECs and be compensated for that service and other associated expenses. These agreements will be subject to review by the Commission's Staff. Accordingly,

IT IS THEREFORE ORDERED:

(1) That Central Telephone Company of Virginia, North River Telephone Cooperative, and Contel of Virginia, Inc. continue offering Circle Calling and Tele-Plan at their tariffed rates, billing their customers and retaining all of the revenues;

(2) That AT&T provide the necessary Inter-LATA transport for the Circle Calling and Tele-Plan of the LECs;

(3) That the LECs compensate AT&T for providing the necessary Inter-LATA transport and other associated expenses;

(4) That agreements setting out the terms and conditions of the above be submitted to the Commission's Staff for review;

(5) That the Staff advise the Commission of the reasonableness of these agreements; and

(6) That this case be continued generally pending the filing and review of these agreements.

CASE NO. PUC890025
JUNE 7, 1990

APPLICATION OF
THE VIRGINIA TELEPHONE ASSOCIATION

For authority to reduce the free call allowance for directory assistance calls

FINAL ORDER

On May 9, 1989, the Virginia Telephone Association (VTA), on behalf of the twenty Local Exchange Carriers (LECS) providing service in Virginia, filed an application seeking to reduce the monthly allowance for free directory assistance (DA) calls from the current level of eight per month to two per month for residential customers and to zero for business customers. Notice of the application was published pursuant to the Commission's order of May 15, 1989, and comments were due on or before July 31, 1989. Numerous comments were received and a public hearing was scheduled for November 30, 1989.

The November 30, 1989 hearing was convened in order to hear from public witnesses. The case was continued generally in order that discovery could be completed before scheduling an evidentiary hearing. Appearing at the November 30, 1989 hearing were Richard D. Gary, Esquire, for the VTA, Warner F. Brundage, Esquire, and Marie Miller, Esquire, for the Chesapeake & Potomac Telephone Company of Virginia (C&P), Edward L. Petrini, Esquire, and Martha B. Brissette, Esquire, for the Division of Consumer Counsel; Steven L. Myers, Esquire, for the County of Chesterfield and William L. Micas, Esquire, for the City of Virginia Beach and Robert M. Gillespie, Esquire, for the Commission Staff. The Commission received public witness testimony from Ms. Jean Ann Fox for the Virginia Citizens Consumer Council, Mr. Harry W. Fox for the County of Chesterfield, Mr. Charles Stewart O'Toole for the County of Mecklenburg, Ann L. Parker, Esquire, for the City of Chesapeake, Mr. Mark A. Holmstrup for the City of Alexandria, Mr. Monroe Freeman, and Mr. Monroe Solodar.

The evidentiary hearing was convened May 10, 1990. Appearing at that hearing were Charles H. Carrathers, III, Esquire, and Richard D. Gary, Esquire, for the VTA, Warner F. Brundage, Jr., Esquire, for C&P, Edward L. Petrini, Esquire, Martha B. Brissette, Esquire, and William H. Chambliss, Esquire, for the Division of Consumer Counsel, Dennis R. Bates, Esquire, for the County of Fairfax and Robert M. Gillespie, Esquire, for the Commission Staff. Testimony was received from Mr. M. Eldridge Blanton, III of C&P (adopting the previously filed direct testimony of Mr. David A. Kelley), Mr. Ralph Lawrence Frye, Executive Director of the VTA, Mr. L. Ronald Smith of the Mountain Grove-Williamsville Telephone Company, Ms. Kimberly Trimble and Mr. William Irby of the Commission Staff, Mr. Steven D. Sinclair of the Fairfax County Department of Consumer Affairs, and Mr. Monroe Solodar for himself.

Having considered the pleadings, the public comments, the statements of public witnesses, and the evidence received herein, the Commission is of the opinion that the directory assistance call allowance should be reduced to three calls per line per month for all subscribers as suggested by the Staff. However, we agree with Staff witness Irby that this reduction should be viewed as merely a temporary concession until the fairest method of charging for directory assistance can be implemented; i.e., charging only for those numbers that are available from the customer's printed directory.

An essential part of furnishing telephone service is the furnishing of numbers necessary to reach others. Most numbers are available in white page directories compiled, printed, and distributed without charge. Many numbers, including new listings, non-published numbers, and non-listed numbers, do not appear in those directories. For customers trying to reach such numbers, DA should be considered a supplement to the printed directory. A person requesting such a number should not be considered a "cost causer". The cause of such cost is due in large part to the exclusion of some numbers from the printed directory. The requesting party is not imposing a cost upon the system to any greater extent than the called party whose number was not printed. The cost is not assignable to one or the other, and such unassignable costs should be borne by all customers, as white page costs are borne today. The fact remains that customers cannot use telephone service unless they have the number of the party they want to reach. These numbers should, within reason, be easily accessible to all customers.

The VTA contends that it is not yet possible to integrate the DA system and the billing system in such a way that a customer would not be charged when requesting a number not available from the printed directory. We are confident that the telephone industry has the knowledge and technology to solve such problems expeditiously if the effort is made. We urge the industry to attempt to determine the most cost effective manner to bill selectively for numbers requested through DA although readily available in the printed directory. When such a system is available, we can drop the DA call allowance to zero for all numbers available in the directory.

We suggest that this is not a problem indigenous to Virginia. It appears logical that such a system would have universal application throughout the country, and development costs could thus be borne by many telephone companies in addition to those in Virginia. We hereby order the VTA to undertake such a study and report the results to the Staff within one year of the date of this order.

Virginia's five largest LECs, Central Telephone Company of Virginia (Centel), C&P, Contel of Virginia, Inc. (Contel), GTE South, and United Inter-Mountain Telephone Company (United), must reduce their rates by the amount of extra annual revenue that would be generated by the reduced call allowance. The amount of that increase shall be calculated based on an updated test period ending December 31, 1989, and in the manner proposed by Staff witness Trimble in Schedule 2, Scenario 3 of her testimony. Her technique adjusts for avoided costs (or, in C&P's case, enhanced revenues) resulting from DA requests from one Virginia Area Code to the other being carried by interexchange carriers and billed at their tariffed rates. To eliminate from calculations the effects of the operator strike that occurred in August and September of 1989, call volumes from the other ten months of 1989 must be used and the results must be annualized.

Pursuant to the VTA's motion presented during the hearing, all of the LECs have twelve months from the date of this order to implement the reduction. For the sixteen small LECs, offsetting rate reductions are welcome but not mandatory. Their tariffs may be filed with the Division of Communications without the revenue calculations mentioned above. For the five large LECs, the revised revenues calculated as outlined above must accompany or precede the revised tariffs. Those tariffs will not be permitted to take effect until the Staff advises the Commission that: (1) the rate design is acceptable, (2) the offsets are correct, and (3) the proposed tariffs are designed to realize revenue reductions equal to the revenue increases quantified by calculations as specified above.

Finally, there is a disparity among Virginia's LECs on furnishing directories to customers seeking a directory other than the one for their local calling area. C&P provides any Virginia C&P directory free upon request, in reasonable quantities. Other companies charge the price listed in Bell Atlantic's 1989 Telephone Directory Price List. We encourage the companies to develop a mutually acceptable method of providing directories free of charge upon reasonable request. Accordingly,

IT IS THEREFORE ORDERED:

(1) That within twelve months of the date of this order, Virginia's LECs file tariffs to implement a reduction of the current eight DA call allowance to a three call allowance;

(2) That the five large LECs submit their tariff reductions within twelve months of the date of this order and submit their revised calendar year 1989 revenues, calculated in the manner specified above, on or before July 16, 1990;

(3) That the tariff revisions of the five large LECs will be allowed to take effect only after the Staff has advised that the proposed rate design is acceptable and that the proposed rate reductions offset the recalculated revenue increases projected from the reduced DA call allowance;

(4) That within twelve months of the date of this order, the VTA report the results of a study of selectively billing for DA calls for numbers available in the directory; and

(5) That there being nothing further to come before the Commission, this matter is removed from the docket and the record developed herein shall be placed in the file for ended causes.

CASE NO. PUC890025
JUNE 28, 1990

APPLICATION OF
THE VIRGINIA TELEPHONE ASSOCIATION

For authority to reduce the free call allowance for directory assistance calls

AMENDING ORDER

The Commission's Final Order of June 7, 1990, did not address the concerns of the Shenandoah Telephone Company (Shenandoah). The Commission's May 15, 1989, Order Directing Publication advised that Shenandoah proposed to implement a $.29 rate for directory assistance calls in excess of the allowance proposed by the Virginia Telephone Association (VTA). The notice stated that Shenandoah's existing rate was $.20 for each directory assistance call in excess of three per month.

The Commission's Final Order of June 7, 1990, adopted an allowance of three "free" directory assistance (DA) calls per month rather than the current eight. Shenandoah now wishes to conform its DA billing with that of the rest of the VTA. To do so, it need not change its monthly allowance, but need only to increase the rate from $.20 to $.29 for each call in excess of three per month. The Commission is of the opinion that this rate change should be authorized. In the future, it is not necessary that members of the VTA maintain a uniform rate for directory assistance, but they shall maintain a uniform allowance as established in our order of June 7, 1990. Before Shenandoah implements its rate change, it should notify its customers individually in advance.

Accordingly, IT IS THEREFORE ORDERED:

(1) That the Shenandoah Telephone Company, on or before June 7, 1991, may implement an increase in its directory assistance rate from $.20 to $.29 for each call in excess of the monthly allowance; and

(2) That in all other respects the Commission's Final Order of June 7, 1990 remains unaltered.

CASE NO. PUC890027
AUGUST 1, 1990

PETITION OF
MIDDLE ATLANTIC PAYPHONE ASSOCIATION
and individual petitioners,
ATLANTIC TELCO, CALL COMMUNICATIONS INC.,
EASTERN PAY PHONES, INC., EASTERN TELECOM COMPANY, INC.,
HANOVER PAYTEL, SUPERIOR COMMUNICATIONS INC.,
TELEPHONE NETWORK, and TIMCO INC.

For an order declaring the provision of public pay telephones to be a competitive, unregulated activity

FINAL ORDER

On May 22, 1989, the Middle Atlantic Payphone Association ("Middle Atlantic"), and the individual petitioners, Atlantic Telco, Call Communications Inc., Eastern Pay Phones, Inc., Eastern Telecom Company, Inc., Hanover Paytel, Superior Communications Inc., Telephone Network, and TIMCO Inc. ("collectively known as the Petitioners") filed a petition asking the Commission to declare the provision of public pay telephones and related services and equipment to be a competitive activity that must be provided by Virginia's telephone local exchange carriers (LECs) on a deregulated basis. On July 12, 1990, Middle Atlantic filed its request to withdraw the Petition. The Commission is of the opinion that the request should be granted. Accordingly,

IT IS THEREFORE ORDERED that Middle Atlantic's request to withdraw its Petition is granted, that this matter shall be removed from the Commission's docket, and the record developed herein shall be placed in the file for ended causes.

CASE NO. PUC890040
JANUARY 8, 1990

APPLICATION OF
CHESAPEAKE AND POTOMAC TELEPHONE COMPANY OF VIRGINIA

To eliminate Improved Mobile Telephone Service in Norfolk, Newport News, Richmond, Roanoke, and Lynchburg; and to eliminate paging service in Roanoke

FINAL ORDER

On June 19, 1989, the Chesapeake and Potomac Telephone Company of Virginia (C&P) filed tariff revisions with a proposed effective date of September 29, 1989, that would eliminate Improved Mobile Telephone Service (IMTS) in Norfolk, Newport News, Richmond, Roanoke and Lynchbug, as well as eliminate paging service in Roanoke. Our order of September 19, 1989, suspended the effective date of that tariff and directed the Company to provide notice to subscribers of the services that would be eliminated.

That same order provided a deadline of November 15, 1989, for customers to comment upon the proposal or to request a hearing. C&P has furnished proof that the notice was provided. When the deadline passed, the Commission had received no comments or requests for hearing. One comment was received after the deadline.

By memorandum of November 29, 1989, the Division of Communications submitted its recommendation that an order approving the tariff be entered. That memorandum notes that the IMTS technology is old and obsolete. The equipment is very expensive to maintain and replace, and attractive alternatives exist. Having considered the Company's application, the lack of objections and the Staff's recommendation, the Commission is of the opinion that the tariff revisions should be allowed to take effect that would eliminate IMTS in the named cities, and eliminate paging service in Roanoke. In many instances, IMTS service has been superseded by cellular telephone service although some radio common carriers continue to offer IMTS. C&P's application notes that it has never had any paging subscribers in Roanoke, so no customers will be affected by elimination of that service. Accordingly,

IT IS THEREFORE ORDERED:

(1) That the tariff revisions filed by C&P June 29, 1989, that would eliminate IMTS in Norfolk, Newport News, Richmond, Roanoke and Lynchburg, and eliminate paging service in Roanoke may take effect as of the date of this order or a subsequent date of C&P's choosing; and

(2) That there being nothing further to come before the Commission, this case is dismissed from the docket and the record developed herein shall be placed in the file for ended causes.

CASE NO. PUC890041
OCTOBER 29, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
CLIFTON FORGE - WAYNESBORO TELEPHONE COMPANY, Petitioner
v.
VIRGINIA ELECTRIC AND POWER COMPANY, Defendant

ORDER ON MOTION TO DISMISS

As noted in our order of December 7, 1989, the parties are before us on petitions for determination of joint pole use terms and rates and on a Motion filed November 27, 1989, by Clifton Forge-Waynesboro Telephone Company (CFW) to dismiss Virginia Power's petition for lack of jurisdiction. We heard oral argument on this Motion on September 5, 1990.

From an analysis of this record, we find the following facts are uncontroverted:

1. The parties have for many years shared line space on wooden poles in areas where their service territories coincide.

2. On January 1, 1976, the parties entered into a joint use agreement, supplemented by an Appendix I dated January 1, 1981, (Agreement), which provides for the terms and conditions under which the parties will share pole space for their lines and sets rates by which the party owning the lesser number of jointly-used poles will compensate the other party annually for the deficiency.

3. At times relevant hereto, Virginia Power has been the owner of approximately 9,100 joint use poles and CFW has owned approximately 2,700 poles, resulting in a deficiency of approximately 6,400 poles, for which CFW has been compensating Virginia Power at the rates set forth in the Agreement.

4. As permitted by the Agreement, Virginia Power notified CFW on November 21, 1985, that it desired to negotiate an increase in the rates to be paid for such deficiencies.

5. Such negotiations having proved unsatisfactory, Virginia Power notified CFW on February 2, 1988, that it was terminating the Agreement, effective February 15, 1989 (later amended to April 1, 1989).

6. CFW filed a suit for declaratory judgment in the Circuit Court for the City of Waynesboro on June 27, 1989, seeking enforcement of the Agreement against Virginia Power. On November 1, 1989, the Circuit Court granted a stay of that matter to await action of this Commission on the instant petition.

7. There is no agreement existing between the parties as to terms, conditions, or rates to be paid for use of any poles placed in service after March 31, 1989.

We admonished the parties at the conclusion of the oral argument to resume negotiations and attempt to settle their differences without further intervention of the Commission. The parties have recently notified us that they have been unable to resolve their dispute, notwithstanding their active and good faith efforts to do so, as requested by us. It is thus appropriate that we now rule on the Motion to Dismiss.

This case is our first under Virginia Code § 56-41.1, which became effective July 1, 1989. That statute, as pertinent, provides that:

> B. The terms and rates for the joint use of poles by electric light, heat and power companies, telephone cooperatives, mutual telephone associations and small investor-owned telephone utilities shall be by agreement between the parties. In the event that the terms and rates cannot be agreed upon by the interested parties, it shall be the duty of the Commission to determine and establish such terms and the rates to be paid for joint use.

The statute thus expresses a preference that issues in this field be settled by agreement between the utilities concerned, with the Commission stepping in only upon their failure to provide their own terms and rates for joint use. We thus find that, as a matter of law, it is a necessary prerequisite to the exercise of our jurisdiction under this statute that we determine that the parties are not in agreement as to the terms and rates for joint pole use.

In one sense, it is clear that the parties here are in serious dispute. The fact that they have actions pending in two forums regarding this subject matter is evidence enough of that. Furthermore, even renewed negotiations urged by us in recognition of the statutory requirement for our jurisdiction have produced no settlement. To hold that there is no agreement as contemplated by the statute, thus clearing the way for the Commission to set the rates for all poles jointly used by the parties, would be too simplistic an analysis under the facts of this case, however.

The Agreement sets forth rates for pole use deficiency, permits either party to initiate renegotiation of those rates, and also provides that either party may terminate the Agreement upon proper notice. It also contains two additional features which are crucial to our determination of jurisdiction here.

First, it provides, in Section 19.01 of Appendix I, that if the parties have not agreed upon new rates six months after a request by one of them that they be renegotiated, then the annual payment set forth in another part of the Agreement will continue to be applied until otherwise agreed by the parties, escalated by a cumulative annual percentage factor. Secondly, Section 24.01 of Appendix I provides that, notwithstanding termination of the Appendix by either party, it "shall remain in full force and effect with respect to all right-of-way and wood poles jointly-occupied by the parties at the time of such termination."

Thus, so far as appears from this record, and despite the dispute obviously existing between the parties, they seem to be contractually bound to rates, terms, and conditions for all poles placed in service prior to termination on April 1, 1989, even though Virginia Power has been objecting to those contractually-specified rates since late 1985, when it initiated renegotiation. We reach this result because the Agreement itself provides for the continuation of payments for existing poles during negotiations which are disputing those fees, and even after termination.

For the strictly limited purpose of determining if and to what extent our jurisdiction can be exercised under this statute, we, therefore, find that there is an agreement in effect between the parties covering all poles placed in service prior to April 1, 1989.

In making this narrow decision, we do not overlook the importance of the pending action in the Circuit Court for the City of Waynesboro which questions the continued legal efficacy of that Agreement, nor do we intend our decision to intrude on any issues pertinent there. It may be that that court, for example, ultimately finds that the Agreement has been breached, that it is unenforcable for any of a variety of reasons, or that other remedies are appropriate in the course of adjudicating the contract claim. We do not reach such matters here. We merely hold that, based on our examination of this record, there is presently in effect an agreement of sufficient strength between the parties to prevent this Commission from exercising jurisdiction under the statute with regard to pre-April 1, 1989, joint-use poles.

As to post-April 1, 1989 poles, the parties have represented that only about 10 to 12 poles were set between that date and July 1, 1989, the effective date of the statute. The record contains no information as to numbers of poles installed since then. Extrapolating from that figure, it would appear possible that 75 new poles may have been set from April, 1989, to date. Though the Commission does have jurisdiction over those poles in the view we take of this case, that number would appear de minimis, given the total of almost 12,000 poles owned by both parties.

Thus, unless one or both parties insist, the Commission sees no need at this time to commit its resources to the conduct of an evidentiary hearing regarding proper terms and rates for such a small number of poles. It would appear far more appropriate for the parties to proceed immediately to resolve the case now pending in Waynesboro Circuit Court. Should the court uphold the contract, that will be time enough to consider what should be done about the small number of poles not covered by that document, if the parties remain in disagreement as to the terms and rates applicable to such poles. On the other hand, should the court void the contract, then the matter of proper terms and rates for all poles shared by the parties and not covered by any agreement will be properly before the Commission, and this case can proceed.

The Commission will therefore continue this case generally until further order, sua sponte, or in response to such further motions as the parties may feel necessary under the ruling announced herein.

CASE NO. PUC890042
FEBRUARY 26, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of abolishing the Rules Governing the Certification of Radio Common Carriers adopted pursuant to Virginia Code § 56-508.6 and the Rules Governing Establishment of Competitive Rates, Charges, and Regulations Pursuant to Virginia Code § 56-508.5B, and adopting new Rules Governing Radio Common Carrier Services

ORDER ADOPTING RULES

By order of November 6, 1989, the Commission invited comments upon a new set of Rules Governing Radio Common Carrier Services which, if adopted, would replace the Rules Governing the Certification of Radio Common Carriers adopted by the Commission September 27, 1984, in Case No. PUC840029, and the Rules Governing Establishment of Competitive Rates, Charges, and Regulations Pursuant to Virginia Code § 56-508.5B, adopted August 25, 1986, in Case No. PUC860003. Comments have been received from CFW Telephone Company; Executive Services Paging Company; Metro-Tones, Inc., of Virginia; Denton Enterprises, Inc. (Denton); Centel Cellular Company; Radio Phone Communications, Inc.; PacTel Paging, Inc. (PacTel); Hello Pager Company, Inc.; Metro Call Delaware, Inc. (Metro Call); and Rule Communications.

Based upon the responses to our invitation for comments, the Commission is of the opinion that the proposed Rules, as initially published, should be modified in certain respects. Rules 1 through 3 and Rule 10 were not opposed and are adopted as written. We will now discuss the remaining Rules and the comments received relative thereto.

Proposed Rule 4 is essentially the same as existing Rule 4 which was adopted in Case No. PUC840029. Nonetheless, PacTel Paging and Rule Communications suggested modifications that would make it more consistent with current Federal Communications Commission (FCC) practices. Based upon those comments, the Staff suggested that the requirement for the filing of maps be revised to require United States Geological Survey (USGS) maps showing reliable service contours that are based on the charts of miles filed with the FCC. The Staff also recommended that applicants be permitted to submit the contour maps for sites either already approved by the FCC or for which an application is pending, and that applicants be entitled to supplement their applications to add or delete sites. The Commission agrees and has revised Rule 4, contained in APPENDIX I hereto.

PacTel, Denton, and Rule Communications also suggested changes for Rule 5 to track current FCC practice. In addition, PacTel suggested that Rule 5 be amended to clarify that, while new companies will be granted statewide certification, their authority to provide service will only be permitted in the territory indicated by their reliable service area contour maps. The Staff recommended that the Commission adopt these revisions, along with the requirement that any provider expanding its service territory file a revised contour map with the Division of Communications. Those revisions are adopted and reflected by the attached APPENDIX.

Rule Communications recommended that Rule 6 specify the USGS maps that are to be filed: either those with a scale of 1 to 250,000 or those of the entire Commonwealth. PacTel Paging recommended a revision requiring that a radio common carrier (RCC) expanding or altering its

coverage areas to file revised contour maps. The Staff recommended adopting the filing of USGS maps with a scale of 1 to 250,000, and that providers expanding their service territories be required to file revised contour maps with the Division of Communications. The Staff's recommendations are adopted as reflected in the APPENDIX.

Proposed Rule 7 requires that any provider wishing to abandon or discontinue any part of its service obtain prior approval from the Commission. PacTel opposed this, urging that discontinuance of service be governed solely by market forces and the business decisions of the companies. It argues that since expansion is permitted in the Rules without additional certification, retraction of service should be allowed to occur in like manner, without Commission approval. PacTel would only require Commission notification of any discontinuance of service. Because some customers find their paging service essential, the Commission is not prepared to allow providers absolute freedom to exit a market at will. Accordingly, we retain Rule 7 as drafted in order to assure that customer needs can be addressed before any paging service is discontinued.

Rule 8 prevents the geographic deaveraging of rates. Several of the responding companies remarked that it is only natural for paging rates to vary in different locations because of cost differences, competitive differences, and other factors that vary from one region to another. The Commission appreciates that these differences do occur, but Rule 8 is designed to place the same restriction on the RCCs that is imposed upon the paging services of Virginia's local exchange carriers operating under the Experimental Plan for Alternative Regulation of Virginia Telephone Companies. Accordingly, the attached version of Rule 8 has not been altered.

Denton and Metro Call said that Rule 9's requirement of an annual price list should be deleted. Denton suggested that companies only be required to make rate information available to the Commission upon reasonable demand. Denton poses that an annual price list will be of little value to the Commission if vigorous competition in the RCC industry were to cause prices to change monthly. Metro Call urges that it should be permitted total detariffing to allow maximum flexibility. Rule Communications was not opposed to the price list, but was opposed to affording those lists proprietary treatment. Rule Communications contends that it would be easier to assure the uniform charging of subscribers if the public and competitors were to have access to those price lists. The Commission will not alter this part of Rule 9 because the filing of annual price lists is required of local exchange carriers that provide paging service under the Experimental Plan mentioned above.

Metro Call recommended that Rule 9's requirement for the annual filing of current financial reports be deleted. The Staff agreed with this, but felt that carriers should be required to maintain Virginia books in accordance with Generally Accepted Accounting Principles. Accordingly, the attached Rule 9 has been altered to delete the requirement for the annual filing of current financial reports.

Proposed Rule 11 is essentially a restatement of Rule 10 from Case No. PUC840029. Metro Call recommended that the Rule be modified to eliminate the requirement of surety bonds from existing certificated RCCs, but to require a surety bond or other guarantee from any new RCC unless it demonstrates that it has sufficient financial resources to protect customer deposits. Both the existing and the proposed rules merely permit the Commission to require a surety bond or other guarantee. The Commission has not exercised that option, but sees no reason not to retain it in case it is needed. Accordingly, the proposed Rule is adopted.

Proposed Rule 12 is essentially the same as existing Rule 11 from Case No. PUC840029. PacTel urged a revision of the Rule to prevent its being used by existing paging companies to impede new providers that are seeking to enter the market. This danger has existed since old Rule 11 was adopted in 1984, but no carrier has ever attempted to use it to thwart a new entrant. If anyone should attempt to use the Rule in such a manner, the Commission will forestall it. Rule 12 is adopted as initially proposed.

Rule 13 is essentially a rewriting of existing Rule 12 in order to remove any reference to tariffs. PacTel recommended that it be modified to afford the same proprietary protection to price lists of new entrants as is afforded by Rule 9 to annual filings of price lists. The Commission concurs in this recommendation. Accordingly, Proposed Rule 13 has been modified to allow price lists to be filed under propriety protection.

The Commission is of the opinion that the Rules Governing the Certification of Radio Common Carrier Services as herein modified and as set forth in APPENDIX I hereto should be adopted.

Accordingly,

IT IS, THEREFORE, ORDERED:

(1) That the Rules Governing the Certification of Radio Common Carrier Services attached hereto as APPENDIX I are hereby adopted, effective on the date of this order;

(2) That there being nothing further to come before the Commission, this case shall be removed from the docket and the record developed herein placed in the file for ended causes.

NOTE: A copy of the Rules Governing the Certification of Radio Common Carrier Services referred to herein as Appendix I are on file and may be examined at the State Corporation Commission, Document Control Center, Floor B-1, Jefferson Building, Bank and Governor Streets, Richmond, Virginia.

CASE NO. PUC890044
FEBRUARY 20, 1990

APPLICATION OF
CONTEL CELLULAR OF NORFOLK, INC.
and
CONTEL CELLULAR OF RICHMOND, INC.

To amend certificates for new cell sites and expanded cellular geographic service areas

FINAL ORDER

On October 27, 1989, Contel Cellular of Norfolk, Inc. and Contel Cellular of Richmond, Inc. filed modified service territory maps depicting new cell sites within the recently expanded Richmond and Norfolk Cellular Geographic Service Areas (CGSA). The CGSAs granted to Contel Cellular of Norfolk, Inc. by certificate No. C-3B and to Contel Cellular of Richmond, Inc. by certificate No. C-4C should be amended and the new service territory maps should be referenced on the amended certificates. Accordingly,

IT IS THEREFORE ORDERED:

(1) That the certificate of Contel Cellular of Norfolk, Inc., certificate No. C-3B is hereby canceled and shall be reissued as certificate No. C-3C. The new certificate shall refer to the new service territory map filed with this application;

(2) That the certificate of Contel Cellular of Richmond, Inc., certificate No. C-4C is hereby canceled and shall be reissued as certificate No. C-4D. The new certificate shall refer to the new service territory map filed with this application; and

(3) That there being nothing 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. PUC900001
MAY 18, 1990

APPLICATION OF
CONTEL OF VIRGINIA, INC.,
PEMBROKE TELEPHONE COOPERATIVE
and
NEW CASTLE TELEPHONE COMPANY

For Pembroke Telephone Cooperative and New Castle Telephone Company to acquire certain telephone assets and service territory of Contel of Virginia, Inc. pursuant to the Utility Facilities Act

FINAL ORDER

On January 19, 1990, Contel of Virginia, Inc. (Contel), Pembroke Telephone Cooperative (Pembroke) and New Castle Telephone Company (New Castle) filed a joint application pursuant to Virginia's Utility Facilities Act (Chapter 10.1 of Title 56 of the Code of Virginia) seeking the transfer of Contel's telephone facilities and service territory in and around Craig County to Pembroke and to New Castle. By order of February 21, 1990, the Commission directed Contel to publish notice of the proposed transfer and to serve notice on governmental officials. That same order directed the Commission Staff to investigate the reasonableness of the proposed transfer and any comments received from the public and report its findings before April 13, 1990.

Contel filed proof of its publication on March 15, 1990. By letter of March 23, Contel advised that the governmental officials had been provided notice of the application. The Commission Staff filed its report April 13, 1990.

That report stated that no objections to the transfer of the property were received, that the Giles County Board of Supervisors filed a resolution supporting the application, and that the Newport Ruritan Club voted unanimously in favor of the proposed change. The Report cites that the newly formed New Castle will establish a business office in Craig County, a service previously not available. Customers in the Newport exchange will be able to visit Pembroke's existing business office in the town of Pembroke, a distance of no more than 20 miles from any point within that exchange.

In all instances, the two new entities will charge rates no greater than the existing rates of Contel. Virginia's certificated interLATA, interexchange carriers were notified that Pembroke and New Castle would use the small telephone company access tariffs rather than Contel's and no one objected. For the Newport exchange, Pembroke will apply its existing service order processing and line connection charges which are substantially lower than those used by Contel.

Having considered the application, the favorable public comment, and the favorable Staff Report, the Commission finds the proposed transfer to be in the public interest. Accordingly,

IT IS THEREFORE ORDERED:

(1) That upon closing of the Acquisition Agreement attached as Exhibit A to the Application, Certificates of Public Convenience and Necessity Nos. T-310, T-314, T-324, and T-338 previously granted to Contel shall be canceled and in their place new Certificates of Public

Convenience and Necessity Nos. T-354, T-355, T-356, and T-357 shall be issued to New Castle. A new certificate, No. T-353, shall be issued to Pembroke for service in a portion of Craig County and its old certificate, No. T-280a shall be canceled and replaced by amended Certificate No. T-280b for service in the Town of Pembroke and a part of Giles County;

(2) That the proposed tariffs attached to the application may take effect for Pembroke and New Castle for service rendered on and after the date of closing of the Acquisition Agreement attached to the Application. Virginia's interLATA, interexchange carriers were notified that access service to and from the affected exchanges would no longer be priced pursuant to Contel's access tariffs but rather would be priced by the access tariffs of Virginia's small local exchange companies in which Pembroke and New Castle concur. No objections were received. In the aggregate, access should be priced as low as or lowar than it had been under Contel's access tariffs, so the change in access tariffs is approved. Each company shall file three copies of its tariffs with the Commission's Division of Communications; and

(3) 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. PUC900004
AUGUST 1, 1990

PETITION OF
ATLANTIC TELCO, INC.

For an order revising C&P's tariff to eliminate charges for directory assistance calls made from non-C&P pay telephones

FINAL ORDER

On February 9, 1990, Atlantic Telco, Inc. (Atlantic Telco) filed a petition pursuant to Rule 5:15 of the Commission's Rules of Practice and Procedure asking that the tariffs of the Chesapeake and Potomac Telephone Company of Virginia (C&P) be revised to eliminate the charge for directory assistance calls placed from pay telephones owned by providers other than C&P.

On July 12, 1990, Atlantic Telco filed its request to withdraw the Petition. The Commission is of the opinion that the request should be granted. Accordingly,

IT IS THEREFORE ORDERED that Atlantic Telco's request to withdraw its Petition is granted, that this matter shall be removed from the Commission's docket, and the record developed herein shall be placed in the file for ended causes.

CASE NO. PUC900005
APRIL 6, 1990

PETITION OF
AT&T COMMUNICATIONS OF VIRGINIA, INC.

For clarification of the prohibition on "Geographic De-Averaging" of interexchange prices

FINAL ORDER

On February 12, 1990, AT&T Communications of Virginia, Inc. (AT&T) filed its Petition for Clarification of the Prohibition on "Geographic De-Averaging" of Interexchange Prices. By Order of February 23, 1990, the Commission invited responses to the petition, and by subsequent order of March 9, 1990, the Commission extended the deadline for comments from March 9 to March 13, 1990.

Comments were received from The Chesapeake and Potomac Telephone Company of Virginia (C&P), Contel of Virginia, Inc. (Contel), U.S. Sprint Communications Company Limited Partnership (U.S. Sprint) and Virginia's fifteen small local exchange companies (Fifteen Small LECs).

While the Commission shares the concerns raised by some of the comments about a blanket or absolute removal of the ban upon AT&T's geographic de-averaging, we believe that the instant tariff proposed by AT&T specifically for its new ACCUNET Spectrum of Digital Services (ASDS) may take effect without harm to existing services. There will be no effect on that general body of customers subscribing to AT&T's other long distance services.

Accordingly, IT IS THEREFORE ORDERED that AT&T may file its ACCUNET Spectrum of Digital Services tariff reflecting the special access prices charged by the Virginia LEC in whose service territory AT&T's ASDS customer is located.

CASE NO. PUC900006
JUNE 13, 1990

APPLICATION OF
VIRGINIA RSA-6 CELLULAR LIMITED PARTNERSHIP

For a certificate to provide cellular mobile radio communications in and around Augusta and Rockingham Counties

ORDER GRANTING CERTIFICATE

On February 28, 1990, the Virginia RSA-6 Cellular Limited Partnership, ("Partnership" or "Applicant") filed an application for a certificate of public convenience and necessity to provide cellular mobile radio communications service in an area in and around Augusta and Rockingham Counties, including the Cities of Staunton, Waynesboro, and Harrisonburg. The Partnership has applied for a Mobile Radio Authorization from the Federal Communications Commission ("FCC") to construct and operate a cellular radio telecommunications system in the area known as RSA Market No. 686, depicted by the map attached as Exhibit 3 to the application. Pursuant to the provisions of § 56-508.11 of the Code of Virginia, the Partnership represents it will be authorized by the FCC to provide the requested service. The application shows that the Partnership is a limited partnership whose general partner, CFW Cellular, Inc. is a Virginia public service corporation. The limited partners are Contel Cellular, Inc., Mountain Grove-Williamsville Telephone Company, Virginia Hot Springs Telephone Company, North River Telephone Cooperative, Highland Telephone Cooperative, New Hope Telephone Company, and Shenandoah Mobile Company, all of which are Virginia public service companies.

The Commission Staff has reviewed the application and the proposed tariff and has determined the tariff should be allowed to take effect as of its proposed effective date, June 15, 1990, or any later date the Partnership is ready to commence service. The Commission is of the opinion that the Partnership should be authorized to commence service as requested upon receipt of their FCC authorization. Accordingly,

IT IS THEREFORE ORDERED:

(1) That the Virginia RSA-6 Cellular Limited Partnership shall be granted a certificate of public convenience and necessity, No. C-25, to render cellular mobile radio communications service within the Cellular Geographic Service Area depicted on the map filed herein upon receipt of their FCC authorization;

(2) That the tariffs submitted by CFW Cellular may take effect as of the proposed effective date, June 15, 1990, or any subsequent date chosen by the Partnership for service rendered within the Cellular Geographic Service Area of RSA Market 686; 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. PUC900009
APRIL 11, 1990

APPLICATION OF
CONTEL OF VIRGINIA, INC.

To regrade multi-party lines serving only one subscriber

FINAL ORDER

On March 8, 1990, Contel of Virginia, Inc. (Contel) filed a tariff revision which would permit it to regrade multi-party customers served by individual lines to single party service after giving 30 days' written notice to the subscriber. This would occur only in exchanges where usage pricing is offered, thus giving subscribers a less costly option than flat rate single party service.

This tariff is a modification of the final order the Commission entered in Case No. PUC870038 on June 20, 1988, 1988 SCC Ann. Rep. 236. That order permitted Contel to regrade such multi-party lines after the entire exchange was capable of individual line service and usage pricing. The revised tariff sheet would allow the Company to regrade individual subscribers rather than waiting to regrade the entire exchange.

The Commission believes that the proposed change is reasonable and will grant the modification of our order of June 20, 1988.

Accordingly, IT IS THEREFORE ORDERED:

(1) That Contel's proposed seventh revised sheet 3.1 to Section No. 3 of its General Exchange Tariff may take effect as of the date of this order; and

(2) There being nothing further to come before the Commission, this case is dismissed and the record developed herein shall be placed in the file for ended causes.

CASE NO. PUC900010
APRIL 30, 1990

APPLICATION OF
UNITED TELESPECTRUM OF VIRGINIA, INC.

For cancellation of its certificate of public convenience and necessity to provide radio common carrier services

FINAL ORDER

By letter of March 19, 1990, the Centel Cellular Company (Centel Cellular) informed the Commission that effective April 5, 1990, management of United TeleSpectrum of Virginia, Inc.'s (TeleSpectrum's) paging system was being turned over to United Inter-Mountain Telephone Company (United). Previously, Centel Cellular had owned Telespectrum but had sold it back to United while continuing to manage it. As a telephone company, United does not need a separate radio common carrier certificate to provide radio paging services. For this reason, Certificate No. RCC-75, previously issued to TeleSpectrum, is no longer needed.

Accordingly, IT IS THEREFORE ORDERED:

(1) That Certificate No. RCC-75, previously granted to United TeleSpectrum of Virginia, Inc. is hereby canceled; and

(2) That there being nothing further to come before the Commission, this case is dismissed and the record developed herein shall be placed in the file for ended causes.

CASE NO. PUC900011
JULY 24, 1990

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For a certificate of public convenience and necessity to provide inter-LATA, interexchange telephone service in Virginia and to have rates determined competitively

FINAL ORDER

On April 5, 1990, Central Telephone Company of Virginia ("Central" or "Applicant") filed its application for a certificate of public convenience and necessity to provide inter-LATA, interexchange telephone service in the Commonwealth and to have its rates determined competitively.

By Order of April 30, 1990, the Commission directed Central to publish notice of the proposed service throughout the counties that would be served and to serve the notice on certain govern-mental officials. That Order provided that a public hearing would be scheduled if sufficient objections were received. By the specified deadline of June 29, 1990, no objections had been received.

Based upon the Application and the absence of objections, the Commission is of the opinion that Central should be granted the requested certificate. Accordingly, the Commission finds as follows:

(1) Central is a Virginia public service corporation which is certificated by the Commission to provide local exchange service in designated areas of the Commonwealth;

(2) Central will transmit all intra-LATA interexchange telephone calls originating within its exchanges over its local exchange network or the local exchange networks of other local exchange carriers. Only inter-LATA, interexchange telephone calls will be transported over its proposed inter-LATA facilities;

(3) Central will provide inter-LATA, interexchange services and facilities consistent with § 56-265.4:4B of the Code of Virginia;

(4) Central has the necessary financial, managerial, and technical abilities to render inter-LATA, interexchange telecommunications service;

(5) Central's application for an inter-LATA, interexchange certificate is justified by the public interest. Central's proposed facilities and service will provide transmission capacity for other inter-LATA, interexchange companies between their points of presence.

The Commission ORDERS as follows:

(1) That, pursuant to the provisions of § 56-265.4:4B of the Code of Virginia, Central is hereby granted a certificate of public convenience and necessity, No. TT-16A, for the provision of inter-LATA, interexchange services to other interexchange carriers along its facilities as depicted on its map filed with the Application and pursuant to its tariff on file with the Commission's Division of Communications. If Central desires to provide inter-LATA, interexchange service to end users within its service territory at some future date, it may do so by filing appropriate tariffs with the Commission prior to commencement of such service;

(2) That Central shall disclose and describe to the Commission the affiliation or other relationship between itself and any company or companies engaged in the provision of inter-LATA services to end users in Virginia if any such relationship exists;

(3) That no cost subsidization shall exist between end user interexchange services offered by Central or any affiliate or other company in which Central will have a relationship or financial interest and any local exchange services provided by Central;

(4) That the rates for access services, excluding billing and collection, which Central imputes to itself as a provider of interexchange services will be the same as the rates charged other interexchange carriers for interexchange services;

(5) That the rates for access services, excluding billing and collection, paid by any other interexchange carrier affiliated with Central or in which Central has a financial interest will be the same as the rates charged nonaffiliated interexchange carriers;

(6) That Central's proposed tariffs for service to inter-LATA, interexchange carriers may take effect as of the date of this Order or any subsequent date chosen by the Company;

(7) That Central is hereby authorized to set its rates competitively, pursuant to the revisions of § 56-481.1 of the Code of Virginia;

(8) That Central shall respond to Staff data requests and submit reports as requested by the Staff concerning any relationship between local exchange operations and interexchange operations; and

(9) 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. PUC900011
OCTOBER 1, 1990

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For a certificate of public convenience and necessity to provide inter-LATA, interexchange telephone service in Virginia and have rates determined competitively.

FINAL ORDER FOLLOWING RECONSIDERATION

On August 10, 1990, the Central Telephone Company of Virginia ("Central") filed its Petition for Reconsideration asking the Commission to reconsider Finding No. 2 of its Final Order dated July 24, 1990. On August 13, 1990, the Commission entered its Order Granting Petition for Reconsideration and invited comments from other carriers regarding the advisability of permitting Central to carry intra-LATA traffic on its proposed inter-LATA fiber-optic network. These comments were to be filed on or before September 7, 1990.

That deadline has passed and the only comments received were filed on behalf of Citizens Telephone Cooperative, CFW Network, Inc., Roanoke and Botetourt Telephone Company, Scott County Telephone Cooperative, and Shenandoah Telephone Company. Their comments supported allowing facilities to carry both inter- and intra-LATA traffic while using accounting separations to prevent any cross-subsidies between a company's intra-LATA operations and its inter-LATA operations.

The Commission is of the opinion that Central's request should be granted. Finding No. 2 at the top of page 2 of our Final Order of July 24, 1990, shall be deleted. Accordingly,

IT IS THEREFORE ORDERED:

(1) That Finding No. 2 at the top of Page 2 of our Final Order of July 24, 1990, is hereby deleted and Findings Nos. 3, 4 and 5 are to be renumbered as 2, 3 and 4, respectively;

(2) That in all other respects, the Final Order remains unaltered; 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. PUC900012
APRIL 30, 1990

APPLICATION OF
OMNI COMMUNICATIONS, INC.

For cancellation of its certificate of public convenience and necessity to provide radio common carrier services

FINAL ORDER

By letter of March 16, 1990, Radio Phone Communications, Inc. d/b/a Metromedia Paging Services advised the Commission that it had purchased all of the assets, services, and customers of Omni Communications, Inc. (Omni). This sale of assets, services, and customers was confirmed by a letter from Omni's Acting Manager dated April 17, 1990.

Because Omni is no longer offering paging services within Virginia, the Commission is of the opinion that its certificate of public convenience and necessity should be canceled. Accordingly,

IT IS THEREFORE ORDERED:

(1) That Certificate Nos. RCC-84 and RCC-85, previously issued to Omni Communications, Inc., are hereby canceled; and

(2) That there being nothing further to come before the Commission, this case is dismissed and the record developed herein shall be placed in the file for ended causes.

CASE NO. PUC900013
JUNE 29, 1990

APPLICATION OF
DENTON II, INC.

For a certificate to provide radio common carrier services throughout the Commonwealth

FINAL ORDER

On April 20, 1990, Denton II, Inc. ("Denton" or "Company") filed an application pursuant to § 56-508.6 of the Code of Virginia and the Commission's Rules Governing Radio Common Carrier Services ("RCC Rules") (adopted by Final Order of February 26, 1990 in Case No. PUC890042) for a certificate to provide radio common carrier service throughout the Commonwealth. Initially, service will be offered in the areas in and around Richmond, Suffolk, and Fredericksburg.

By order of May 22, 1990, the Commission directed Denton 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 June 15, 1990. That date has passed and no objections have been filed. Denton has filed proof of notices as directed in the Commission's order of May 22, 1990. The Commission's 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's 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, Denton should be granted a certificate to provide radio common carrier services throughout the Commonwealth. Accordingly,

IT IS THEREFORE ORDERED:

(1) That Denton is granted RCC Certificate No. 164 authorizing it to provide service throughout the Commonwealth. Initially service will be offered in and around Richmond, Suffolk, and Fredericksburg, as shown on the map attached to the application; 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 filed for ended causes.

CASE NO. PUC900014
JUNE 26, 1990

APPLICATION OF
SALISBURY MOBILE TELEPHONE OF VIRGINIA, INC.

For a certificate to provide radio common carrier services throughout the Commonwealth

FINAL ORDER

On April 4, 1990, Salisbury Mobile Telephone of Virginia, Inc. ("Salisbury" or "Company") filed an application pursuant to § 56-508.6 of the Code of Virginia and the Commission's Rules Governing Radio Common Carrier Services (RCC Rules) (adopted by Final Order of February 26, 1990 in Case No. PUC890042) for a certificate to provide radio common carrier service throughout the Commonwealth. By Order of May 22, 1990, the Commission directed Salisbury to provide notice to Virginia's existing radio common carriers and to officials of the cities, towns and counties in which service would 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 June 15, 1990. That date has passed and no objections have been filed. Salisbury has filed proof of notice as directed in the Commission's Order of May 22, 1990. 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, Salisbury should be granted a certificate to provide radio common carrier services throughout the Commonwealth. Accordingly,

IT IS THEREFORE ORDERED:

(1) That Salisbury is granted RCC Certificate No. 163 authorizing it to provide service throughout the Commonwealth. Initially, service will be offered along Virginia's Eastern Shore in and around the city of Onancock, as shown on the map attached to the Application; 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. PUC900015
JULY 30, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
CHARISMA ENTERPRISES LIMITED,
Petitioner
v.
RADIO PHONE COMMUNICATIONS, INC.
t/a METROMEDIA PAGING SERVICES,
Defendant

FINAL ORDER

On June 14, 1990, the Hearing Examiner entered his Ruling in this matter recommending that the Commission enter an order dismissing this proceeding as being a contract dispute more appropriate for the civil courts of the Commonwealth.

No exceptions have been filed to the Examiner's Ruling. The Commission is of the opinion that the Hearing Examiner's recommendation should be adopted. Accordingly,

IT IS THEREFORE ORDERED that this matter is dismissed and the record developed herein shall be placed in the file for ended causes.

CASE NO. PUC900016
OCTOBER 2, 1990

APPLICATION OF
SCOTT COUNTY TELEPHONE COOPERATIVE

For a certificate of public convenience and necessity to provide inter-LATA, interexchange telephone service in Virginia and to have rates determined competitively

FINAL ORDER

On May 16, 1990, Scott County Telephone Cooperative ("Scott" or "Applicant") filed its application for a certificate of public convenience and necessity to provide inter-LATA, interexchange telephone service in and around Scott, Lee, and Wise counties and to have its rates determined competitively.

By Order of June 28, 1990, the Commission directed Scott to publish notice of the proposed service throughout the counties that would be served and to serve notice on certain governmental officials. That Order provided that a public hearing would be scheduled only if sufficient objections were received on or before August 15, 1990. That deadline has passed and no objections have been received.

By letter of August 13, 1990, Scott filed its proof of notice showing publication of the prescribed notice and that service had been made on the proper officials.

Because of the lack of objections, the Commission is of the opinion that the Application should be granted in conformance with the procedures previously used for allowing Virginia's local exchange carriers to provide inter-LATA, interexchange services.

Accordingly, IT IS THEREFORE ORDERED:

(1) That Scott is hereby granted a certificate of public convenience and necessity, No. TT-17A, for the provision of inter-LATA, interexchange services to other interexchange carriers along its facilities in Scott, Lee and Wise Counties pursuant to its tariff on file with the Commission pursuant to § 56-265.4:4 B of the Code of Virginia. If Scott desires to provide inter-LATA, interexchange services to end-users within its service territory at some future date, it may do so by filing appropriate tariffs with the Commission prior to commencement of such service;

(2) Scott must define to the Commission the affiliation or other relationship between itself and any company or companies engaged in the provision of inter-LATA services to end-users in Virginia, if any such relationship exists;

(3) Scott must assure the Commission that no cross-subsidization exists or will exist between end-user interexchange services offered by Scott or any affiliate or other company in which Scott will have a relationship or financial interest and any local exchange services provided by Scott;

(4) Scott must assure the Commission that the rates for access services, excluding billing and collection, which Scott imputes to itself as a provider of interexchange services will be the same as the rates charged other interexchange carriers for interexchange services;

(5) Scott must assure the Commission that the rates for access services excluding billing and collection, paid by any other interexchange carrier affiliated with Scott or in which Scott has a financial interest will be the same as the rates charged nonaffiliated interexchange carriers;

(6) Scott's proposed tariffs for service to inter-LATA, interexchange carriers may take effect as of the date of this order or any subsequent date chosen by the Company;

(7) Scott is hereby authorized to set its rates competitively pursuant to the provisions of § 56-481.1 of the Code of Virginia;

(8) Scott shall respond to Staff data requests and submit reports as requested by the Staff concerning the relationship between local exchange operations and interexchange operations; and

(9) 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. PUC900017
OCTOBER 18, 1990

APPLICATION OF
CITIZENS TELEPHONE COOPERATIVE

To amend its certificate of public convenience and necessity for inter- LATA, interexchange telephone service

FINAL ORDER

On June 19, 1990, Citizens Telephone Cooperative ("Citizens") filed its application to amend its certificate of public convenience and necessity, No. TT-15A, seeking to extend service into Patrick, Franklin and Carroll counties. The Application sought to have rates determined competitively as is done with existing inter-LATA services.

By Order of August 13, 1990, the Commission directed Citizens to publish notice of the proposed service throughout the counties that would be served and to serve notice on certain governmental officials. That Order provided that a public hearing would be scheduled only if sufficient objections were received on or before September 28, 1990. That deadline has passed and no objections have been received. By letter of September 21, 1990, Citizens filed its proof of notice showing publication of the prescribed notice and that service had been made on the proper officials.

On October 2, 1990, Citizens filed its Request for Clarification asking to be relieved of a restriction in the Commission's Final Order of November 22, 1989 in Case No. PUC890030 that only inter-LATA, interexchange telephone calls would be transported over Citizens' inter-LATA facilities. The request notes that the same restrictive language was omitted for Central Telephone Company of Virginia (Centel) when the Commission entered its Final Order Following Reconsideration on October 1, 1990, in Case No. PUC900011.

Because of the lack of objections, the Commission is of the opinion that the Application should be granted in conformance with the procedures previously used for allowing Virginia's local exchange carriers to provide inter-LATA, interexchange services. The certificate of Citizens should be amended to remove any restrictions requiring that only inter-LATA traffic be placed upon Citizens' inter-LATA facilities.

Accordingly, IT IS THEREFORE ORDERED:

(1) That Citizens is hereby granted an amended certificate of convenience and necessity No. TT-15B for the provision of inter-LATA, interexchange services to other interexchange carriers along its facilities in Floyd, Montgomery, Patrick, Franklin and Carroll Counties pursuant to its tariff on file with the Commission and pursuant to the provisions of § 56-265.4:4B of the Code of Virginia. The granting of Certificate No. TT-15B also serves to cancel Certificate No. TT-15A previously granted pursuant to the Commission's Final Order of November 22, 1989, in Case PUC890030. If Citizens desires to provide inter-LATA, interexchange services to end-users within its service territory at some future date, it may do so by filing appropriate tariffs with the Commission prior to commencement of such service;

(2) Citizens must apprise the Commission of any affiliation or other relationship between itself and any company or companies engaged in the provision of inter-LATA services to end-users in Virginia, if any such relationship exists;

(3) Citizens must assure the Commission that no cross-subsidization exists or will exist between end-user interexchange services offered by Citizens or any affiliate or other company in which Citizens will have a relationship or financial interest and any local exchange services provided by Citizens;

(4) Citizens must assure the Commission that the rates for access services, excluding billing and collection, which Citizens imputes to itself as a provider of interexchange services will be the same as the rates charged other interexchange carriers for interexchange services;

(5) Citizens must assure the Commission that the rates for access services, excluding billing and collection, paid by any other interexchange carrier affiliated with Citizens or in which Citizens has a financial interest will be the same as the rates charged nonaffiliated interexchange carriers;

(6) Citizens' existing tariffs for service to inter-LATA, interexchange carriers may be used pursuant to the amended certificate of convenience and necessity, No. TT-15B;

(7) Citizens is authorized to continue setting its rates competitively pursuant to the provisions of § 56-481.1 of the Code of Virginia;

(8) Citizens shall respond to Staff data requests and submit reports as requested by the Staff concerning the relationship between local exchange operations and interexchange operations;

(9) That the amended certificate, No. TT-15B, shall not restrict Citizens' inter-LATA facilities to carrying only inter-LATA traffic; and

(10) 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. PUC900018
SEPTEMBER 21, 1990

APPLICATION OF
VIRGINIA 10 RSA LIMITED PARTNERSHIP

For a certificate to provide cellular mobile radio communications in and around Shenandoah, Frederick, Clark, Warren, Page and Rappahannock Counties

ORDER GRANTING CERTIFICATE

On July 12, 1990, the Virginia 10 RSA Limited Partnership, ("Virginia 10" or "Applicant") filed an application for a certificate of public convenience and necessity to provide cellular mobile radio communications service in and around Shenandoah, Frederick, Clark, Warren, Page and Rappahannock Counties. As required by § 56-508.11 of the Code of Virginia, Virginia 10 has received its Mobile Radio Authorization from the Federal Communications Commission ("FCC") to construct and operate a cellular radio telecommunications system in the area known as Virginia RSA-10 depicted on the map attached as Exhibit 3 to the application. The application shows that Virginia 10 is a limited partnership whose general partner is Shenandoah Mobile Company and whose limited partners are Centel Cellular Company of Virginia and Contel Cellular of Virginia, Inc. Each of the partners is a Virginia public service corporation.

The Commission Staff has reviewed the application and the proposed tariff and has determined the tariff should be allowed to take effect as of the date of this Order or any subsequent date Virginia 10 is ready to commence service. The Commission is of the opinion that Virginia 10 should be authorized to commence service as requested. Accordingly,

IT IS THEREFORE ORDERED:

(1) That the Virginia 10 is hereby granted certificate of public convenience and necessity, No. C-26, to render cellular mobile radio communications service within the Cellular Geographic Service Area depicted on the map filed herein;

(2) That the tariffs submitted by Virginia 10 may take effect as of date of this order, or any subsequent date chosen by Virginia 10 for service rendered within the Cellular Geographic Service Area known as Virginia RSA-10; 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. PUC900019
SEPTEMBER 12, 1990

APPLICATION OF
UNITED INTER - MOUNTAIN TELEPHONE COMPANY

For revision of its intrastate long distance rates

FINAL ORDER

On June 25, 1990 United Inter-Mountain Telephone Company filed a revised tariff for intrastate Message Telecommunications Service which would reduce the number of mileage steps in the rate schedule from eight to three and lower the percentage discount for calls made in the off-peak periods from 40% to 38% in the Evening period, and 60% to 58% in the Night/Weekend period. In the aggregate, the change would reduce revenue based on current volumes, however, it is possible that some customers can experience a rate increase due to the reduction in mileage steps. United says the revised rate structure will enable the company to provide a more simplified pricing structure.

In our order of August 1, 1990, the Company's request for a waiver from the provisions of Paragraph 17 of the Commission's Experimental Plan for Alternative Regulation of Virginia Telephone Companies was granted and the company was required to give notice of the rate proposal by publishing a prescribed notice in daily newspapers as well as by serving a copy of this order on certain local officials. A deadline of August 31, 1990, was established for comments on the tariff revisions.

The Commission has received no comments from United's customers or from the local officials. The Commission believes that the proposed tariff revisions are reasonable. Accordingly,

IT IS THEREFORE ORDERED:

(1) That United's proposed tariff may take effect as of September 1, 1990; and

(2) That there being nothing further to come before the Commission this case is dismissed and the record developed herein shall be placed in the file for ended causes.

CASE NO. PUC900020
SEPTEMBER 19, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
MIDDLE PENINSULA COMMUNICATIONS CORPORATION

ORDER REVOKING CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

By order of August 3, 1990, the Commission issued a Rule to Show Cause requiring Middle Peninsula Communications Corporation ("Middle Peninsula") to appear before the Commission September 12, 1990 to show cause why its certificate of public convenience and necessity should not be revoked for failing to provide adequate service to the public as required by § 56-508.6 of the Code of Virginia or for its discontinuing service without prior Commission approval in violation of Rule 7 of the Commission's Rules Governing Radio Common Carrier Services.

That order directed Middle Peninsula to file any written response on or before September 5, 1990. No response was filed. The hearing was convened at 11:00 a.m. September 12, 1990, in the Commission's 13th Floor Courtroom, and no one appeared on behalf of Middle Peninsula. Counsel for the Commission's Staff introduced the return receipt for certified mail sent to Milford S. Holben, Jr., registered agent for Middle Peninsula, and introduced a copy of a letter of May 8, 1990 from Contel of Virginia, Inc. advising the Division of Communications that telephone service had been terminated to Middle Peninsula April 26, 1990.

By failing to respond to the Commission's order or to appear at the hearing, Middle Peninsula is in default. The record herein demonstrates that Middle Peninsula has ceased providing service for lack of telephone access to its paging transmitter. Middle Peninsula has terminated paging service without prior Commission approval as required by Rule 7 of the Commission's Rules Governing Radio Common Carrier Services and furthermore is in violation of § 56-508.6 of the Code of Virginia. Accordingly,

IT IS THEREFORE ORDERED:

(1) That certificate of public convenience and necessity No. RCC-139, previously granted to Middle Peninsula is hereby revoked for Middle Peninsula's failure to provide adequate service to the public as required by § 56-508.6 of the Code of Virginia and for Middle Peninsula's discontinuing service without prior Commission approval in violation of Rule 7 of the Commission's Rules Governing Radio Common Carrier Services; 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. PUC900032
NOVEMBER 19, 1990

APPLICATION OF
SUBURBAN CELLULAR INC.

For a certificate to provide cellular mobile radio communications in and around Madison, Spotsylvania, Stafford, Culpeper, Louisa and Orange Counties

ORDER GRANTING CERTIFICATE

On October 11, 1990, Suburban Cellular Inc. ("Suburban Cellular" or "Applicant") filed an application for a certificate of public convenience and necessity to provide cellular mobile radio communications service in and around Madison, Spotsylvania, Stafford, Culpeper, Louisa and Orange Counties. As required by § 56-508.11 of the Code of Virginia, Suburban Cellular has received its Mobile Radio Authorization from the Federal Communications Commission ("FCC") to construct and operate a cellular radio telecommunications system in the area known as Virginia 11-Madison, depicted on the map included as Attachment C to the application. The application shows that Suburban Cellular is a Virginia public service corporation.

The Commission Staff has reviewed the application and the proposed tariff and has determined the tariff should be allowed to take effect as of the date of this Order or any subsequent date Suburban Cellular is ready to commence service. The Commission is of the opinion that Suburban Cellular should be authorized to commence service as requested. Accordingly,

IT IS THEREFORE ORDERED:

(1) That Suburban Cellular is hereby granted certificate of public convenience and necessity, No. C-27, to render cellular mobile radio communications service within the Cellular Geographic Service Area depicted on the map filed herein;

(2) That the tariffs submitted by Suburban Cellular may take effect as of the date of this order, or any subsequent date chosen by Suburban Cellular for service rendered within the Cellular Geographic Service Area known as Virginia 11-Madison; 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. PUC900036
DECEMBER 11, 1990

APPLICATION OF
VIRGINIA RSA 3 LIMITED PARTNERSHIP

For a certificate to provide cellular mobile radio communications in and around Giles, Pulaski, Montgomery, Carroll, Floyd, and Patrick Counties

ORDER GRANTING CERTIFICATE

On November 8, 1990, the Virginia RSA 3 Limited Partnership, ("Virginia RSA 3" or "Applicant") filed an application for a certificate of public convenience and necessity to provide cellular mobile radio communications service in and around Giles, Pulaski, Montgomery, Carroll, Floyd, and Patrick Counties. As required by § 56-508.11 of the Code of Virginia, Virginia RSA 3 has received its Mobile Radio Authorization from the Federal Communications Commission ("FCC") to construct and operate a cellular radio telecommunications system in the area known as Virginia RSA-3 Giles, depicted on the map attached as Exhibit 3 to the application. The application shows that Virginia RSA 3 is a limited partnership whose general partner is Citizens Telephone Cooperative and whose limited partners are Contel Cellular, Inc., Citizens Telephone Cooperative, Pembroke Telephone Cooperative, and Peoples Mutual Telephone Company. Each of the partners is a Virginia public service corporation, except Contel Cellular, Inc.

The Commission Staff has reviewed the application and the proposed tariff and has determined the tariff should be allowed to take effect as of the date of this order or any subsequent date Virginia RSA 3 is ready to commence service. The Commission is of the opinion that Virginia RSA 3 should be authorized to commence service as requested. Accordingly,

IT IS THEREFORE ORDERED:

(1) That Virginia RSA 3 is hereby granted a certificate of public convenience and necessity, No. C-28, to render cellular mobile radio communications service within the Cellular Geographic Service Area depicted on the map filed herein;

(2) That the tariff submitted by Virginia RSA 3 may take effect as of date of this order, or any subsequent date chosen by Virginia RSA 3 for service rendered within the Cellular Geographic Service Area known as Virginia RSA 3 Giles; 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. PUC900037
DECEMBER 6, 1990

APPLICATION OF
CHARLOTTESVILLE CELLULAR PARTNERSHP
d/b/a Cellular One

For a certificate of public convenience and necessity to provide cellular mobile communications service in the Charlottesville Cellular Geographical Service Area

ORDER GRANTING CERTIFICATE

On November 9, 1990, Charlottesville Cellular Partnership d/b/a Cellular One ("Applicant" or "Partnership") filed an application for a certificate of public convenience and necessity to provide cellular mobile radio communications service in the Charlottesville Cellular Geographic Service Area (CGSA). Pursuant to the provisions of § 56-508.11 of the Code of Virginia, the Partnership represents that it has been granted authority by the Federal Communications Commission (FCC). The majority general partner of Applicant is Century Charlottesville Cellular Corporation (Century Charlottesville), a Virginia public service corporation, owning slightly over 72% of the Applicant. The Partnership's application includes maps depicting the CGSA in which service will be provided. No protests to the application have been filed and none are anticipated. The Commission's Staff has reviewed the proposed tariff and has no objection to its becoming effective.

The Commission is of the opinion that pursuant to § 56-508.11 of the Code of Virginia, the Applicant should be authorized to commence service in the Charlottesville CGSA depicted on its maps, provided that the Partnership comply with Chapter 3 of Title 56 the Code of Virginia by filing for any future borrowings, even if the borrowings come from an arrangement established prior to this order. The proposed tariffs may take effect as of the date of this order or any subsequent date chosen by the Applicant. Accordingly,

IT IS THEREFORE ORDERED:

(1) That pursuant to § 56-508.11 of the Code of Virginia, Charlottesville Cellular Partnership d/b/a Cellular One is granted a certificate of public convenience and necessity, No. C-29, to render cellular mobile radio communications service within the area authorized by its FCC license as depicted on the maps filed with its application. This certificate is granted contingent upon the Partnership's seeking approval of any borrowings as directed above;

(2) That the tariff proposed by the Partnership may take effect for service within its service territory as of the date of this order or any subsequent date chosen by the Partnership; and

(3) That there being nothing further to come before the Commission, this case is dismissed from the docket and the record developed herein shall be place in the file for ended causes.

CASE NO. PUC900038
DECEMBER 11, 1990

APPLICATION OF
NORFOLK - VIRGINIA BEACH - PORTSMOUTH, MSA LIMITED PARTNERSHIP

For a certificate to provide cellular mobile radio communications in and around Caroline, King George, King William, King and Queen, Essex, Richmond, Westmoreland, Northumberland, Lancaster, Mathews, Northampton, Accomack, and Middlesex Counties

ORDER GRANTING CERTIFICATE

On November 9, 1990, the Norfolk - Virginia Beach - Portsmouth MSA Limited Partnership, ("MSA Limited Partnership" or "Applicant") filed an application for a certificate of public convenience and necessity to provide cellular mobile radio communications service in and around Caroline, King George, King William, King and Queen, Essex, Richmond, Westmoreland, Northumberland, Lancaster, Mathews, Northampton, Accomack, and Middlesex Counties. As required by § 56-508.11 of the Code of Virginia, MSA Limited Partnership has received its Mobile Radio Authorization from the Federal Communications Commission ("FCC") to construct and operate a cellular radio telecommunications system in the area known as Virginia RSA-12 Caroline, depicted on the map attached as Exhibit 3 to the application. The application shows that MSA Limited Partnership is a limited partnership whose general partner is Contel Cellular of Norfolk, Inc. and its limited partners are Contel Cellular of Norfolk, Inc. and Bell Atlantic Mobile Systems of Norfolk, Inc. Contel Cellular of Norfolk, Inc. is a Virginia public service corporation.

The Commission Staff has reviewed the application and the proposed tariff and has determined the tariff should be allowed to take effect as of the date of this order or any subsequent date MSA Limited Partnership is ready to commence service. The Commission is of the opinion that MSA Limited Partnership should be authorized to commence service as requested. Accordingly,

IT IS THEREFORE ORDERED:

(1) That MSA Limited Partnership is hereby granted a certificate of public convenience and necessity, No. C-30, to render cellular mobile radio communications service within the Cellular Geographic Service Area depicted on the map filed herein;

(2) That the tariff submitted by MSA Limited Partnership may take effect as of date of this order, or any subsequent date chosen by Applicant for service rendered within the Cellular Geographic Service Area known as Virginia RSA 12-Caroline; 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. PUC900040
DECEMBER 11, 1990

APPLICATION OF
VIRGINIA RSA 5 LIMITED PARTNERSHIP

For a certificate to provide cellular mobile radio communications in and around Bath, Rockbridge, and Alleghany Counties

ORDER GRANTING CERTIFICATE

On November 16, 1990, the Virginia RSA 5 Limited Partnership, ("Virginia RSA 5" or "Applicant") filed an application for a certificate of public convenience and necessity to provide cellular mobile radio communications service in and around Bath, Rockbridge, and Alleghany Counties. As required by § 56-508.11 of the Code of Virginia, Virginia RSA 5 has received its Mobile Radio Authorization from the Federal Communications Commission ("FCC") to construct and operate a cellular radio telecommunications system in the area known as Virginia RSA5-Bath, depicted on the map attached as Exhibit 3 to the application. The application shows that Virginia RSA 5 is a limited partnership whose general partner is Contel Cellular, Inc. and whose limited partners are CFW Cellular, Inc., Mountain Grove-Williamsville, and Virginia Hot Springs Telephone Company. Each of the limited partners is a Virginia public service corporation, except Contel Cellular, Inc.

The Commission Staff has reviewed the application and the proposed tariff and has determined the tariff should be allowed to take effect as of the date of this order or any subsequent date Virginia RSA 5 is ready to commence service. The Commission is of the opinion that Virginia RSA 5 should be authorized to commence service as requested. Accordingly,

IT IS THEREFORE ORDERED:

(1) That Virginia RSA 5 is hereby granted a certificate of public convenience and necessity, No. C-31, to render cellular mobile radio communications service within the Cellular Geographic Service Area depicted on the map filed herein;

(2) That the tariff submitted by Virginia RSA 5 may take effect as of date of this order, or any subsequent date chosen by Virginia RSA 5 for service rendered within the Cellular Geographic Service Area known as Virginia RSA 5-Bath; 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. PUC900041
DECEMBER 11, 1990

APPLICATION OF
NORFOLK - VIRGINIA BEACH - PORTSMOUTH, MSA LIMITED PARTNERSHIP

For a certificate to provide cellular mobile radio communications in and around Greensville, Sussex, Southampton, and Surry Counties

ORDER GRANTING CERTIFICATE

On November 16, 1990, the Norfolk - Virginia Beach - Portsmouth MSA Limited Partnership, ("MSA Limited Partnership" or "Applicant") filed an application for a certificate of public convenience and necessity to provide cellular mobile radio communications service in and around Greensville, Sussex, Southampton, and Surry CountiesCounties. As required by § 56-508.11 of the Code of Virginia, MSA Limited Partnership has received its Mobile Radio Authorization from the Federal Communications Commission ("FCC") to construct and operate a cellular radio telecommunications system in the area known as Virginia RSA 9-Greensville, as depicted on the map attached as Exhibit 3 to the application. The application shows that MSA Limited Partnership is a limited partnership whose general partner is Contel Cellular of Norfolk, Inc. and its limited partners are Contel Cellular of Norfolk, Inc. and Bell Atlantic Mobile Systems of Norfolk, Inc. Contel Cellular of Norfolk, Inc. is a Virginia public service corporation.

The Commission Staff has reviewed the application and the proposed tariff and has determined the tariff should be allowed to take effect as of the date of this order or any subsequent date MSA Limited Partnership is ready to commence service. The Commission is of the opinion that MSA Limited Partnership should be authorized to commence service as requested. Accordingly,

IT IS THEREFORE ORDERED:

(1) That MSA Limited Partnership is hereby granted a certificate of public convenience and necessity, No. C-32, to render cellular mobile radio communications service within the Cellular Geographic Service Area depicted on the map filed herein;

(2) That the tariff submitted by MSA Limited Partnership may take effect as of date of this order, or any subsequent date chosen by Applicant for service rendered within the Cellular Geographic Service Area known as Virginia RSA 9-Greensville; 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. PUC900042
DECEMBER 11, 1990

APPLICATION OF
VIRGINIA RSA 4 LIMITED PARTNERSHIP

For a certificate to provide cellular mobile radio communications in and around Bedford, Franklin, and Henry Counties

ORDER GRANTING CERTIFICATE

On November 27, 1990, the Virginia RSA 4 Limited Partnership, ("Virginia RSA 4" or "Applicant") filed an application for a certificate of public convenience and necessity to provide cellular mobile radio communications service in and around Bedford, Franklin, and Henry Counties. As required by § 56-508.11 of the Code of Virginia, Virginia RSA 4 has received its Mobile Radio Authorization from the Federal Communications Commission ("FCC") to construct and operate a cellular radio telecommunications system in the area known as Virginia RSA 4A-Bedford, depicted on the map attached as Exhibit 3 to the application. The application shows that Virginia RSA 4 is a limited partnership whose general partner is Citizens Telephone Cooperative and whose limited partners are Contel Cellular, Inc., Citizens Telephone Cooperative, Pembroke Telephone Cooperative, and Peoples Mutual Telephone Company. Each of the partners is a Virginia public service corporation except Contel Cellular, Inc.

The Commission Staff has reviewed the application and the proposed tariff and has determined the tariff should be allowed to take effect as of the date of this order or any subsequent date Virginia RSA 4 is ready to commence service. The Commission is of the opinion that Virginia RSA 4 should be authorized to commence service as requested. Accordingly,

IT IS THEREFORE ORDERED:

(1) That Virginia RSA 4 is hereby granted a certificate of public convenience and necessity, No. C-33, to render cellular mobile radio communications service within the Cellular Geographic Service Area depicted on the map filed herein;

(2) That the tariff submitted by Virginia RSA 4 may take effect as of date of this order, or any subsequent date chosen by Virginia RSA 4 for service rendered within the Cellular Geographic Service Area known as Virginia RSA 4A-Bedford; 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. PUC900043
DECEMBER 19, 1990

APPLICATION OF
SOUTHWESTERN BELL MOBILE SYSTEMS, INC.

For a certificate to provide cellular mobile radio communications in and around Shenandoah, Frederick, Page, Warren, Clarke, Rappahannock, and Fauquier Counties;

For a certificate to provide the same services in and around Caroline, King George, Westmoreland, Essex, King William, King and Queen, Richmond, Northumberland, Lancaster, Middlesex Mathews, Accomack, and Northampton Counties; and

For approval of the acquisition of Suburban Cellular, Inc.

ORDER GRANTING CERTIFICATES

On November 29, 1990, Southwestern Bell Mobile Systems Inc. ("SBMS" or "Applicant") filed an application for certificate of public convenience and necessity to provide cellular mobile radio communications service in and around Shenandoah, Frederick, Page, Warren, Clarke, Rappahannock and Fauquier Counties (therein known as Rural Service Area (RSA) 10); for certificate of public convenience and necessity to provide the same services in and around Caroline, King George, Westmoreland, Essex, King William, King and Queen, Richmond, Northumberland, Lancaster, Middlesex, Mathews, Accomack and Northampton Counties (the area known as RSA 12); and for approval of its acquisition of Suburban Cellular, Inc., the holder of Certificate No. C-27 for the area known as Virginia RSA 11-Madison. As yet, SBMS has not received its Mobile Radio Authorization from the Federal Communications Commission ("FCC") to construct and operate the cellular radio telecommunications systems in the area known as Virginia RSA 10-Frederick and Virginia RSA 12-Caroline, however SBMS has filed for consents to assign the licenses and FCC approval is imminent. The application shows SBMS to be a Virginia Public Service Corporation. Maps for Virginia RSA 10-Frederick and Virginia RSA 12-Caroline have been filed with the Commission's Division of Communications.

The Commission Staff has reviewed the application and the proposed tariffs and has determined that the tariffs should be allowed to take effect as of the date the certificates are issued or any subsequent date SBMS is ready to commence service. The Commission is of the opinion that certificates should be issued to SBMS for Virginia RSA 10-Frederick and for Virginia RSA 12-Caroline when the requisite authorization from the FCC has been received. At this time it does not appear that SBMS needs any authorization from the Commission for its purchase of the stock in Suburban Cellular, Inc. From the application, it appears that the stock purchase leaves Suburban Cellular, Inc. intact as a Virginia Public Service Corporation holding Certificate No. C-27. Suburban Cellular, Inc. and SBMS should file for any Commission approvals needed pursuant to Chapters 3 and 4 of Title 56 of the Code. The Commission does approve Suburban Cellular, Inc.'s concurrence in the SCC Tariff No. 1 of SBMS. If at any future date, SBMS desires to merge Suburban Cellular, Inc. out of existence, requisite approvals and certificate amendments should be sought from the Commission. Accordingly,

IT IS THEREFORE ORDERED:

(1) That, contingent upon SBMS's showing it has received authority from the Federal Communications Commission, SBMS shall be granted a certificate of public convenience and necessity, No. C-34, to render cellular mobile radio communications service within the area known as Virginia RSA 10-Frederick, and shall be granted certificate of public convenience and necessity No. C-35to render cellular mobile radio communications service within the area known as Virginia RSA 12-Caroline, both as depicted on the maps filed herein;

(2) That the tariffs submitted herein to cover Virginia RSA 10-Frederick and Virginia RSA 12-Caroline may take effect as of the date certificates are granted or any subsequent date chosen by SBMS for services rendered within those two areas. The tariff changes submitted by Suburban Cellular, Inc. to concur in SCC Tariff No. 1 of SBMS and may take effect as of the date of this Order or any subsequent date chosen by Suburban Cellular, Inc.; 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. PUC900044
DECEMBER 21, 1990

APPLICATION OF
RADIO PHONE COMMUNICATIONS, INC.

To transfer radio common carrier certificate to Metromedia Paging Services, Inc.

FINAL ORDER

By letter of December 6, 1990, Radio Phone Communications, Inc. ("Radio Phone") requested that its certificate of public convenience and necessity No. RCC-144, be transferred to its parent corporation, Metromedia Paging Services, Inc. ("MPS"). The change is necessary because all of the subsidiaries of MPS are being merged into MPS, which is dually incorporated in Virginia as a public service corporation and in Delaware as a general business corporation. The proposed merger will not alter the quality of service or the rates currently charged for radio common carrier services. The equipment, employees, and management of the present Radio Phone system will remain unchanged following the merger.

THE COMMISSION is of the opinion that the existing certificate of Radio Phone should be amended and reissued to reflect the holder as MPS, contingent upon consummation of the merger and receipt of the Federal Communications Commission's approval of the transfer of authority. Accordingly,

IT IS THEREFORE ORDERED:

(1) That following the completion of the merger of Radio Phone into MPS and receipt of the Federal Communication Commission's approval of the transfer of authority to MPS, Certificate No. RCC144, shall be amended and reissued to MPS as No. RCC-144a; and

(2) 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.

DIVISION OF ENERGY REGULATION

CASE NO. PUE800093
SEPTEMBER 12, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte, in re: Consideration for adoption of standards for Old Dominion Power Company pursuant to § 111 of the Public Utility Regulatory Policies Act of 1978

FINAL ORDER

The Commission initiated this proceeding pursuant to the Public Utility Regulatory Policies Act (PURPA) § 111, 16 U.S.C. § 2621 (1982), which requires us to consider certain federal standards for Old Dominion Power Company (Old Dominion or Company) and to determine whether it is appropriate to implement the standards for the Company. These six federal standards include requirements that Old Dominion's rates be based on cost and that declining block rates be offered only if the utility can demonstrate that costs decrease as consumption increases. Other standards require that rates vary with the time of day and with the season of year. Finally, a utility must offer interruptible rates and load management techniques. PURPA § 111(d), 16 U.S.C. § 2621(d) (1982). Pursuant to our orders, Commission Hearing Examiners conducted this proceeding and held hearings. Hearing Examiner Glenn P. Richardson presided at the final hearing on July 30, 1990, and he filed his Report on August 10, 1990.

In his Report, Examiner Richardson recommended that the Commission adopt all of the federal standards except time of day rates for Old Dominion. The Examiner noted that Old Dominion had already implemented the cost of service, declining block rates, and load management techniques standards. According to the Examiner's Report, the seasonal rates and interruptible rates standards were appropriate for Old Dominion but should not be implemented at this time. Old Dominion purchases all of its power from its parent, Kentucky Utilities, under a wholesale power purchase agreement that provides for no seasonal variation in rates the Company pays. Therefore, the Examiner concluded that until the wholesale power rates, which are subject to the jurisdiction of the Federal Energy Regulatory Commission, reflect seasonal peaks, it is inappropriate to require Old Dominion to offer seasonal retail rates. The record also showed that Old Dominion's primary industrial load comes from coal mining operations which would not normally subscribe to interruptible rates. The Examiner concluded that the interruptible rate standard should not be implemented until the Company has determined the costs and feasibility of such a service. By letter filed with the Commission on August 22, 1990, Old Dominion, by counsel, advised that it had no objections to Examiner Richardson's Report.

After considering the record in this proceeding, the Commission will accept Examiner Richardson's recommendations and will adopt his findings and conclusions as its own. As Examiner Richardson observed, Virginia law and the Commission's practices already require Old Dominion to base all of its rates, including any declining block rates, on the cost of service. The record shows that Old Dominion has already adopted a number of load management techniques. The federal seasonal rates and interruptible rates standards should also be adopted for Old Dominion, but need not be implemented at this time. Since there is no seasonal variation in the Company's wholesale power cost, there is no current economic justification for retail seasonal rates. We agree with the Examiner that if Kentucky Utilities does move toward a wholesale rate structure reflecting a seasonal peak, Old Dominion should investigate revisions in its retail rates to reflect this change in wholesale power costs.

The federal interruptible rates standard requires that an electric utility, "shall offer each industrial and commercial electric consumer an interruptible rate which reflects the cost of providing interruptible service to the class of which such consumer is a member." PURPA § 111(d)(5), 16 U.S.C. § 2621(d)(5) (1982). Old Dominion's principal industrial and commercial customers are coal mines and related operations which are unlikely to subscribe to interruptible service. While immediate implementation of this federal standard is not required, we agree with the Examiner that Old Dominion should study the feasibility and costs of interruptible rates.

The Commission has previously found that the federal time- of-day rates standard is inappropriate for Virginia. We have held that time-of-day rates should be implemented only after their cost effectiveness for each class of customers has been established. Application of Virginia Electric & Power Co., 1982 S.C.C. Ann. Rep. S.C.C. 435, 439. In contrast, the federal standard requires implementation of time-of-day rates for all customers unless rates are not cost effective with respect to a class of customers. We agree with Examiner Richardson in his conclusion that the federal standard effectively creates a rebuttable presumption favoring time-of-day rates contrary to the Commission's policy requiring a utility to prove such rates are cost effective before implementation. Our conclusion should not be interpreted as a prohibition on time-of-day rates offered by Old Dominion or any other electric utility. In the case of Old Dominion, changes in its wholesale power costs could provide a cost justification for time-of-day rates for some customers.

Accordingly, the Commission finds as follows:

(1) That it is appropriate to adopt the following federal standards:

(a) The cost of service standard, PURPA § 111(d)(1), 16 U.S.C. § 2621(d)(1) (1982);

(b) The declining block rates standard, PURPA § 111(d)(2), 16 U.S.C. § 2621(d)(2) (1982);

(c) The seasonal rates standard, PURPA § 111(d)(4), 16 U.S.C. § 2621(d)(4) (1982);

(d) The interruptible rates standard, PURPA § 111(d)(5), 16 U.S.C. § 2621(d)(5) (1982); and

(e) The load management techniques standard, PURPA § 111(d)(6), 16 U.S.C. § 2621(d)(6) (1982);

(2) That it is inappropriate to adopt the federal time-of-day rates standard, PURPA § 111(d)(3), 16 U.S.C. § 2621(d)(3);

(3) That Old Dominion may defer implementation of the federal seasonal rates standard until such time as its wholesale power purchase rates reflect seasonal variation;

(4) That Old Dominion may defer implementation of the interruptible rates standard pending study of the feasibility and cost savings of such rates; and

(5) That Old Dominion continue its implementation of the other federal standards found appropriate herein.

Accordingly, IT IS ORDERED:

(1) That Old Dominion comply with the findings made above; and

(2) That this case be dismissed from the Commission's docket of active proceedings and the papers filed herein be transferred to the files for ended matters.

CASE NO. PUE860081
JANUARY 4, 1990

PETITION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For order modifying Schedule SG - Standby Generator to allow applicability to customers operating standby generation in parallel

ORDER MODIFYING TARIFF

By order dated August 14, 1989, in Case No. PUE860081, the State Corporation Commission ("the Commission) approved Virginia Electric and Power Company's ("Virginia Power" or "the Company") application to implement on a permanent basis rates for thermal ("Schedule 6TS"), curtailable service, large general service ("Schedule CS") and standby generator service ("Schedule SG").

In its petition filed on October 4, 1989, Virginia Power requested a limited modification of its Schedule SG to allow those customers who operate standby generation in parallel with the Company, but not under normal conditions, to take service under this rate schedule. These customers are currently precluded from taking service under Schedule SG.

By order dated October 23, 1989, the Commission directed Virginia Power to provide actual notice of its petition to its current SG customers. The Commission further provided an opportunity for affected customers to respond to the Company's requested modification to the SG Schedule.

By letter dated December 22, 1989, Virginia Power filed proof of its compliance with the notice requirements. No customer filed any comments regarding the Company's requested modification to the SG Schedule.

The Commission finds it appropriate that the Company's Schedule SG be modified to permit those customers who operate standby generation in parallel with the Company, but not under normal conditions, to take service under Schedule SG.

IT IS ORDERED:

(1) That Virginia Power file its revisions to its Schedule SG tariff as reflected in its Petition dated October 4, 1989, by January 15, 1990;

(2) That the Commission's Staff review the proposed tariff for its compliance with the terms of this Order;

(3) That the remaining provisions in the Company's Schedule SG remain unchanged;

(4) That the rates ordered herein be effective for service on and after February 1, 1990; and

(5) That there appearing 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.

CASE NO. PUE880040
AUGUST 8, 1990

APPLICATION OF
RAPPAHANNOCK ELECTRIC COOPERATIVE

For approval to offer an incentive as part of its load management program

ORDER PERMITTING LOAD MANAGEMENT PROGRAM TO BECOME PERMANENT

By Order of May 30, 1989, the State Corporation Commission ("Commission") authorized Rappahannock Electric Cooperative ("Rappahannock" or "the Cooperative") to offer an incentive on an experimental basis to encourage the Cooperative's customers to participate in its load management program. As part of its incentive, Rappahannock proposed to replace fuses, thermostats, and heating elements without charge in water heaters owned by members who participated in its load management program. In its May 30, 1989 Order, the Commission invited the Cooperative to apply to the Commission if it desired to make its water heater maintenance program permanent.

On July 18, 1990, Rappahannock requested that it be permitted to make its load management incentive program permanent. It filed data on its reduction in wholesale power costs, its cold water complaint trips, and the cost of maintaining water heaters in support of its request. Rappahannock's cost data showed that for the twelve-month period from June, 1989 to May, 1990, the Cooperative appeared to reduce its wholesale power costs by approximately $939,133, due to the operation of its load management switches. This averaged out to a wholesale power cost reduction of approximately $157 per switch per year. During the same time period, the Cooperative made 345 cold water complaint trips at an average cost of $46 per trip. Even where such calls resulted in maintenance, the savings in power costs appeared to be approximately $111 per switch for the twelve-month period ending May, 1990.

NOW THE COMMISSION, upon consideration of Rappahannock's request to make its incentive program permanent, is of the opinion and finds that it is in the public interest to do so. However, we further find that before Rappahannock implements any additional load management incentives or automated control programs or before the Cooperative otherwise expands the scope of its proposed water heater control program, it should seek Commission authority through an application which sets out the details of the proposed program including, but not limited to, its estimated costs and financing requirements, and a description of and estimated costs associated with any proposed program incentives.

Accordingly, IT IS ORDERED:

(1) That Rappahannock's request to make its water heater maintenance program permanent is granted;

(2) That the Cooperative's tariff revisions to implement its water heater maintenance program shall be made permanent;

(3) That, before the Cooperative implements any additional load management incentives, or automated control programs or expands the scope of its proposed water heater control program, it shall seek Commission authority to do so through an application which shall set out the details of the program, including, but not limited to, its estimated costs, benefits, financing requirements, and a description of and estimated costs associated with any proposed incentives; and

(4) That there being nothing further to be done herein, the same is dismissed.

CASE NO. PUE880049
OCTOBER 10, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

In re: Virginia Electric and Power Company, Residential Outdoor Lighting Facilities

ORDER

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 Electric and Power Company ("Virginia Power" or the "Company") to provide outdoor lighting facilities for safety and security to residential consumers pursuant to a regulated tariff. On November 23, 1988, pursuant to that resolution, the Commission 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 and further found that formal consideration of the merits of the tariff should await compilation of actual data. On November 22, 1989, the Commission authorized a six-month extension of the study period to allow sufficient time to collect data for a full year before the merits of the program were assessed.

On May 4, 1990, Virginia Power filed a Motion to Approve the Tariff on a Permanent Basis and to Close the Docket ("Motion"). In support of its Motion, the Company stated that the data collected during the study period and submitted to the Commission's Division of Energy Regulation revealed that residential customers desire outdoor lighting for safety and security purposes and that permanent tariffed provision of such service is in the public interest. Specifically, Virginia Power reported that during the interim period, January 1, 1989 through March 31, 1990, 9,464 requests for service under Rate Schedule 27 were received. Of that number, 3,489 requests qualified for service under the terms and conditions of the interim schedule.

On May 21, 1990, the Commission issued an order directing Virginia Power to provide notice of its proposal to make the interim tariff permanent, to provide an opportunity for comments and requests for hearing, and to extend Schedule 27 until August 31, 1990. On July 18, 1990, Greenfield Homeowners Association ("Greenfield") filed comments and requested Schedule 27 be amended to include townhouse communities as well as single family detached dwellings. The Commission, in an order dated August 27, 1990, continued the case generally to facilitate consideration of the proposals pending before it and extended Schedule 27 until further order.

Historically, Virginia Power 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. Rep. 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.

The 1988 resolution passed by the General Assembly of Virginia stated in part that "the installation and maintenance of outdoor lighting equipment and facilities by electrical contractors may be more readily available to industrial and commercial establishments than to residential customers." Further, the data reported by Virginia Power during the interim period in which Schedule 27 has been effective indicates a clear demand for the outdoor lighting service provided under Schedule 27. As cited above, Virginia Power has received over 9,000 requests for outdoor lighting service since the study period began and over 3,000 lights either have been or are being installed.

In the report on Schedule 27 attached to Virginia Power's Motion, Virginia Power raises the prospect of expanding Schedule 27 and states that

> although the company is not requesting an expansion of private outdoor lighting beyond detached homes in this filing, it does feel there is a market not being filled for privately owned condominiums and townhouses and believes this should be addressed at some future time.

Further, Greenfield indicated that its existing service is inadequate and requests Schedule 27 be amended to include townhouse communities as a way to resolve its problems.

In the 1978 Order affirmed by the Virginia State Supreme Court, the Commission found that providing outdoor lighting service was a competitive business. The Commission determined that the outdoor lighting service provided by Virginia Power was a competitive business conduct and further that "[t]he economic characteristics of such competitive business conduct do not justify . . . rate base - rate of return entitlement." Id, 1978 S.C.C. Ann. Rep. at 80. Virginia Power therefore was not required to perform that service as part of its public service obligation.

The Commission now has before it data which indicates that a need for the provision of tariffed outdoor lighting service to single family detached residential dwellings for safety and security purposes exists. The record in this case however does not indicate that a similar need for such tariffed service to townhouse communities exists. One commentor, Greenfield, states that it is unwilling to pay the price of the service on the competitive market, but that is not sufficient evidence for us to conclude that outdoor lighting for townhouses and condominium developments is unavailable in the competitive market. To the contrary, the Commission determined in 1978 that it was available. Therefore, Schedule 27 shall not be expanded at this time. Virginia Power and Greenfield are free to petition the Commission at a later date for expansion of tariffed outdoor lighting service and at that time should offer evidence that the demand cannot adequately be served by the competitive marketplace.

NOW, THE COMMISSION upon consideration of Company's Motion and Greenfield's request to amend Schedule 27, is of the opinion and finds that Company's request to implement the interim tariff on a permanent basis should be granted. Accordingly,

IT IS ORDERED:

(1) That Schedule 27 - Residential Outdoor Lighting shall be approved on a permanent basis;

(2) That Virginia Power continue to file quarterly reports with the Commission's Division of Energy Regulation detailing requests for service under Schedule 27, the number of outdoor lighting facilities actually installed, the number of outdoor lighting requests denied and the reasons for the denial; and

(3) 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.

CASE NO. PUE880065
FEBRUARY 6, 1990

PETITION OF
LUCK STONE CORPORATION

To investigate Northern Virginia Electric Cooperative's rates and charges

FINAL ORDER

On July 15, 1988, Luck Stone Corporation ("Luck" or "the Petitioner") filed a petition with the State Corporation Commission requesting an investigation of the rates and charges of the Northern Virginia Electric Cooperative ("NOVEC" or "the Cooperative"). In its petition, Luck stated that its Fairfax County plant received electric service from NOVEC, a non-profit, federally subsidized distribution system, and that NOVEC's principal wholesale supplier was Virginia Electric and Power Company ("Virginia Power"). In light of these facts, Luck alleged that NOVEC's retail rates and charges to Luck unreasonably exceeded the retail rates and charges for similar electric service provided by Virginia Power to Luck's other plants. Although Luck acknowledged that the Commission should not set NOVEC's rates on the basis of those charged by Virginia Power, it did assert that NOVEC could not justify its own level of rates.

On August 30, 1988, NOVEC filed its initial response to the petition. NOVEC stated that it was prudent to conduct a current class cost allocation study to assist it in responding to Luck's allegations, and it committed itself to prepare such a study, based on the calendar year 1987, to be filed with the Commission no later than November 15, 1988.

On September 2, 1988, Luck filed a motion to reduce temporarily NOVEC's rates. In the alternative, Luck proposed that the rates be made subject to refund, pending a full cost-of-service study and a hearing.

On November 4, 1988, after considering the pleadings and oral argument on the motion, the Commission denied Luck's motion to reduce rates or to make them subject to refund without prejudice to the Petitioner to renew its request later. The Commission directed the Cooperative to prepare immediately and file a cost-of-service study, together with all of the schedules required by the rules for electric cooperative rate cases. The Commission specified that all of the data, including the cost-of-service study, should employ a twelve month test period ending September 30, 1988. That Order also set the matter for hearing before a hearing examiner, directed the Cooperative to give public notice, and established a procedural schedule.

On November 16, 1988, NOVEC filed a Petition for Reconsideration, together with a cost-of-service study employing the test year ending December 31, 1987, (hereafter "the 1987 Study"). In its Petition, NOVEC asked the Commission to reconsider the portion of its November 4, 1988, Order which directed the Cooperative to prepare a cost-of-service study using a test year ending September 30, 1988, proposing instead, a test year ending December 31, 1987, for the cost-of-service study and that the test year ending September 30, 1988, be used only for the purpose of preparing the schedules required by the rules for electric cooperative rate cases. In the alternative, NOVEC requested that the public hearing be rescheduled.

On November 18, 1988, the Petitioner filed another pleading which addressed Luck's Motion to reduce temporarily NOVEC's rates or to declare them interim and subject to refund.

On December 5, 1988, the Commission entered its Order on the Petitions for Reconsideration which, among other things, permitted the Cooperative to use the December 31, 1987, test period for its cost-of-service study. Further, it granted Luck's request to limit the investigation to a review of Large Power Service Rate PS-9A, the Schedule under which Luck was served. The Order also affirmed the November 4 denial of Luck's request to declare the Cooperative's rates interim and subject to refund.

On February 9, 1989, Luck filed a motion to join as parties other NOVEC customers receiving service under Schedule PS-9A, namely: Amax Corporation, Bull Run Stone Company, Inc., Cardinal Concrete, Chantilly Crushed Stone, General Paving Corporation, Superior Paving Corporation, and Virginia Paving, Inc. (hereafter, collectively referred to as "Petitioners"). By Hearing Examiner's Ruling entered February 27, 1989, Luck's Motion was granted, but the hearing on the petition was rescheduled for April 21, 1989, to allow NOVEC sufficient time to conduct further discovery.

The Hearing Examiner heard the case in chief in this matter on April 21, 1989. At that hearing, NOVEC presented the testimony of Harry K. Bowman, NOVEC's General Manager, and Jack D. Gaines, Assistant Vice President and Manager of the retail rate department of Southern Engineering Company. Witness Gaines sponsored the 1987 Study, and twenty-two rate case schedules for the test year ending September 30, 1988. The Petitioners presented the testimony of accountant Alexander F. Skirpan. Staff presented the testimony of Rosemary M. Henderson, a Utility Engineer with the Division of Energy Regulation.

On May 22, 1989, the Petitioners filed an opening brief and a motion renewing their earlier request that Schedule PS-9A be made interim, subject to refund, pending a final decision. By Ruling dated June 26, 1989, the Hearing Examiner granted this motion, finding that the evidence presented at the April 21 hearing demonstrated that the Large Power Rate Schedule was generating an excessive rate of return.

By his Rulings dated July 10 and July 20, 1989, the Examiner sua sponte reopened the record for the limited purpose of considering the cost-of-service study and class rate of return for Schedule PS-9A derived in NOVEC's last general rate case, Application of Northern Virginia Electric Cooperative, Case No. PUE840041, 1985 S.C.C. Ann. Rept. 413. A hearing to compare this cost-of-service study to NOVEC's 1987 Study was convened on July 28, 1989.

Counsel appearing at the hearings convened herein included Edward L. Flippen, Esquire, and Donald G. Owens, Esquire, for the Petitioners; Kenworth E. Lion, Jr., Esquire, for the Cooperative; and Sherry H. Bridewell, Esquire, for the Commission's Staff.

On October 3, 1989, the Hearing Examiner issued his report, which found that Luck had made a prima facie case that Large Power Schedule PS-9A was unjust and unreasonable and that it was producing a class return and an interest coverage ratio ("TIER") significantly higher than the Cooperative's system rate of return and TIER. Specifically, the Examiner found that NOVEC's adjusted 1987 Study showed that Schedule PS-9A was generating a TIER of 3.18 for primary service, 4.58 for secondary service, and 3.88 for service over 1000 kW. The 1987 Study also showed that Schedule PS-9A's rate of return on operating margins was 18.03% for primary service, 26.15% for secondary service, and 22.19% for service over 1000 kW.

The Examiner further found that NOVEC failed to present sufficient evidence demonstrating that the class rate of return and TIER being generated by Schedule PS-9A were reasonable. He noted that NOVEC's entire case focused primarily on its current aggregate earnings. He rejected this approach, reasoning that there was no express requirement in the Virginia Constitution or statutes requiring the Commission to conduct an in-depth financial analysis of a utility's aggregate earnings before modifying a single rate schedule. He observed that Virginia Code § 56-235 authorizes the Commission to fix and order substituted ". . . such rate . . . as shall be just and reasonable", thereby envisioning the alteration of a single rate found to be unreasonable. In addition, the Examiner noted that customers of other utilities routinely bring complaints about specific tariffs and that the Commission considers applications involving isolated tariff changes without a full-blown rate analysis. The Examiner concluded that, while the Petitioners did have the burden of proving Schedule PS-9A unreasonable, they did not need to shoulder the additional burden of proving NOVEC's aggregate revenues unreasonable before relief could be granted.

The Examiner thus found that the Petitioners were entitled to relief and determined that Schedule PS-9A should be reduced, but not by the amount recommended by the Petitioners. Instead, based on the 1987 Study, he recommended that revenues produced by Schedule PS-9A be

reduced by approximately $1,613,510 which would generate a 15% class rate of return, in order to afford a more gradual movement to parity. He recommended that this reduction be accomplished by reducing the Schedule's energy charges by an equal amount. The Examiner noted that lowering the Schedule's energy charges would provide for a closer tracking of costs. Finally, the Examiner found that NOVEC should refund all revenues collected from customers served under Schedule PS-9A from the application of interim rates, which became effective on June 26, 1989, to the extent such revenue exceeded the amount found reasonable in his report.

On October 18, 1989, Petitioners and the Cooperative filed comments in response to the Hearing Examiner's Report. In their comments, the Petitioners did not criticize the Examiner's legal analysis, but endeavored to demonstrate that a greater reduction for the Large Power class was more appropriate in order to move the class toward parity of return.

The thrust of NOVEC's Exceptions to the October 3, 1989, Hearing Examiner's Report was that it was necessary to test the justness and reasonableness of NOVEC's rates with reference to the Cooperative's aggregate revenues. Additionally, the Cooperative criticized the Examiner's acceptance of the Cooperative's cost-of-service study methodology, and further complained that the Examiner failed to delineate the rules under which the rate investigation was to be conducted, while maintaining that the Examiner refused to require the Petitioners to advise the Cooperative of all the issues to be addressed at the hearing.

NOW THE COMMISSION, upon consideration of the record, the Hearing Examiner's Report, the Comments and Exceptions thereto, and the applicable statutes, is of the opinion and finds that the Examiner's legal analysis, and his finding that Large Power Schedule PS-9A was unjust and unreasonable, are fully supported by the record and are hereby accepted. We will modify the Hearing Examiner's Report only with respect to the magnitude of the reduction to be applied to the Large Power Schedule. We find that the revenues produced by Large Power Schedule PS-9A should be reduced by approximately $1,122,362. This reduction will generate an 18% return on rate base and is based on the cost-of-service study filed by the Cooperative on November 16, 1988, modified only to reflect the applicable gross receipts taxes and special taxes associated with the revenue reduction ordered herein.

The Cooperative's continuing insistence that its aggregate revenues are just and reasonable misapprehends the issue regarding Rate Schedule PS-9A, i.e., that a rate may so disproportionately contribute to the overall system rate of return as to be unjust and unreasonable. The record shows this to be the case with respect to the Large Power Schedule. However, the appropriate range of returns to be recovered from any particular rate schedule is a factual determination which must be resolved by the exercise of informed judgment. Similarly, the speed with which a rate class is brought within an appropriate range of parity, is a matter of informed judgment which must be applied to the facts developed in each case.

In our judgment, a more moderate movement toward parity is appropriate in this case. This is especially true where, as here, diverse loads and load factors are served under a single rate schedule. We suspect that if the Cooperative had refined Rate Schedule PS-9A to reflect more clearly the load factor and usage characteristics of the Schedule's customers, then the customer, demand, and energy charges for the customers in the resulting rate groups would have been higher for some customers and lower for others. Because of the extreme diversity of the customers served under this schedule, we find that NOVEC should redesign this schedule as part of its next rate case to reflect more accurately the costs, load factors, and usage characteristics of these customers. In addition, the Cooperative should file a cost-of-service study as part of that case, which supports the redesign of this rate schedule and any other rate design changes the Cooperative intends to sponsor. In the meantime, in anticipation of a restructured Large Power Schedule, we will employ a more gradual approach in moving this rate schedule to an acceptable range of parity of returns.

With respect to the issues raised in NOVEC's Exceptions, we are surprised by the Cooperative's complaints concerning the Examiner's use of its cost-of-service study. The Cooperative contends that the Examiner erred by adopting the 1987 Study's methodology. However, we note that when NOVEC filed its Initial Response to Luck's Petition, it stated that:

> . . . given the tremendous rate of growth in NOVEC's service territory since 1983 [when NOVEC's last cost-of-service study was prepared], NOVEC believes that it is appropriate, and indeed prudent, to conduct a current class cost allocation study in which Luck will be included in the large power customer class. . . .

NOVEC thus voluntarily agreed to prepare a new cost-of-service study based on a calendar 1987 test year and noted that "[a] current cost of service study will enable NOVEC to respond on the merits of Luck's Petition. NOVEC commits to file such a response simultaneously with the new study."

On November 16, 1988, NOVEC filed both a Petition for Reconsideration and the 1987 Study at issue. NOVEC voluntarily chose the methodology employed in this study which, as indicated by NOVEC's August 30, 1988, filing, was offered to enable the Cooperative to respond to the merits of Luck's Petition. In fact, in its Petition for Reconsideration, which requested the Commission to accept this cost-of-service study, employing a December 31, 1987, test year, rather than the September 30, 1988, test period required by the Commission's Order, the Cooperative asserted:

> . . . Although NOVEC agrees that a more current test year would more accurately depict NOVEC's financial status, it is unlikely that the relationship among the costs to serve each customer class has changed significantly during the nine months since December 31, 1987. Further, NOVEC has no knowledge of any changes in its customer mix, cost causative factors, or any other factors arising during the first nine months of 1988 which would significantly change the relationship among the class costs. There is every reason to believe that the completed cost-of-service study using 1987 as a test year continues to be valid for testing NOVEC's rate structures and the relative costs of service to each of its customer classes.

Even after we expressly narrowed the scope of the proceeding to consider the justness and reasonableness of Schedule PS-9A, the Cooperative did not withdraw or modify its 1987 Study. In fact, at the April 21, 1989, hearing, convened four months after our Order on Petitions for Reconsideration, NOVEC's expert witness sponsored only that study. Neither NOVEC's expert witness nor its counsel suggested at that time that it was improper to consider the justness and reasonableness of NOVEC's rates and charges, including those for the Large Power Rate Schedule,

by considering this specific study. Nor did the Cooperative's testimony at the April 21 hearing suggest that the Commission was bound by the cost-of-service study, which was accepted in NOVEC's last rate case. Indeed, even at the hearing on July 28, 1989, the purpose of which was to consider the previous rate case's cost-of-service study, NOVEC's expert witness supported the methodology used in the 1987 Study.

Neither the Petitioners, Staff, nor Cooperative appears to suggest that the 1987 Study distorts the relationship between Schedule PS-9A and the system return. Therefore, we will accept that Study for use in the disposition of this case.

We are also unpersuaded by the Cooperative's contention that the Examiner did not delineate the rules under which this investigation was to be conducted. Our December 5, 1988, Order on Petitions for Reconsideration clearly stated that the scope of the investigation had been narrowed to the justness and reasonableness of NOVEC's rates as they related to Large Power Service Rate Schedule PS-9A, the Schedule under which the Petitioner was served. NOVEC was repeatedly reminded of the focus of the proceeding in the February 10, 1989, Hearing Examiner's Ruling, and in the Examiner's April 7 Ruling made at the conclusion of the oral argument convened on NOVEC's motion to dismiss Luck's Petition.

Specifically, NOVEC's March 16, 1989, Motion to Cancel Hearing and Dismiss Proceeding alleged that the Petitioners had not placed any factual issues in dispute and had failed to make a prima facie case. After hearing argument, the Examiner determined that there were factual issues in dispute, e.g., the appropriate return to be generated by the Large Power Schedule, and further determined that the Petitioners appeared to have presented a prima facie case of unreasonableness based, among other things, on the Petitioners' testimony demonstrating that the TIERs produced by a breakdown of Schedule PS-9A were higher than those reported by NOVEC. At the conclusion of his ruling, the Examiner reminded NOVEC that the focus of the proceeding was upon Schedule PS-9A, and that a complainant in a complaint proceeding should not be expected to demonstrate how any resulting revenue reduction in one rate schedule should be allocated to other rate schedules. The Examiner then denied NOVEC's motion to dismiss.

Since NOVEC was advised on several occasions of the scope of the investigation, and since the Petitioners have the initial burden of proof in a proceeding such as this, we find that the Examiner properly instructed the parties on the scope of the proceeding and the applicable burden of proof. In our opinion, no further guidance on "the rules" governing the proceeding was necessary. Petitioners had the initial burden of proof. Once they had met that burden by establishing a prima facie case, the burden shifted to NOVEC to demonstrate how, if at all, a revenue reduction in Schedule PS-9A would financially impair the Cooperative's operations or result in an unjust and unreasonable rate for that schedule. This NOVEC failed to do.

With respect to NOVEC's complaint that it was denied a fair hearing because Luck was not required to advise the Cooperative of all the issues it would address at the hearing, we observe that the Hearing Examiner's Ruling of February 27, 1989, permitted NOVEC to file rebuttal testimony in response to the testimony of Staff and the Petitioners. During that hearing, NOVEC was given an opportunity to present its testimony and to cross-examine both the witnesses of the Petitioners and the Staff. If the Cooperative was surprised by the accounting adjustments challenged by the Petitioners, it could have identified those adjustments and sought to strike that testimony or requested a continuance to prepare a response. In the alternative, if the Cooperative was uncertain about the adjustments to be raised at the hearing, it could have filed a motion for a more definite statement of issues. However, it did none of these things. Having failed to pursue these options in a timely manner, the Cooperative may not now complain after the record in this proceeding has been closed.

In summary, we do not find the arguments raised by the Cooperative in its Exceptions sufficiently compelling to justify reversal of the Hearing Examiner on these issues.

Accordingly,

IT IS ORDERED:

(1) That the findings and recommendations of the October 3, 1989, Hearing Examiner's Report, as modified herein, are adopted;

(2) That the Cooperative redesign and restructure Large Power Rate Schedule PS-9A as part of its next rate application and also file a cost-of-service study as part of that application;

(3) That revenues from Large Power Rate Schedule PS-9A be forthwith reduced by approximately $1,122,362 on an annual basis, so as to recover total margins of $2,116,763 for the test year ending December 31, 1987;

(4) That the reduction to Schedule PS-9A be accomplished by a uniform cents per kWh reduction of all energy charges;

(5) That NOVEC forthwith file with the Commission a revised Schedule PS-9A, which reflects the reduction ordered herein;

(6) That on or before April 6, 1990, NOVEC complete the refund of all revenues collected from customers served by Large Power Rate Schedule PS-9A from the application of the rates which were declared interim and subject to refund, effective June 26, 1989, to the extent that the revenues collected under that interim rate schedule exceed those found appropriate herein;

(7) That the refunds directed by Ordering Paragraph (6) above may be accomplished by credits to the appropriate customer's account (shown separately in each customer's bill) for current customers. Refunds to former customers shall be made by check to the last known address of such customers when the refund amount owed is $1.00 or more. The Cooperative may retain refunds owed to former customers when such refund amount is less than $1.00, and in the event such former customers contact the Cooperative and request refunds, such refunds shall be made promptly;

(8) That the Cooperative bear all of the costs associated with the refund directed herein;

(9) That, on or before May 31, 1990, the Cooperative file with the Commission's Staff a document showing that all refunds have been lawfully made pursuant to this Order and itemizing the costs of the refund. Such itemization of costs shall include, inter alia, computer costs, and

the man-hours, associated salaries, and costs for verifying and correcting the refund methodology and for developing the computer programs necessary to make the refund; and

(10) That there being nothing further to be done herein, the same is hereby dismissed.

CASE NO. PUE880071
MARCH 27, 1990

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

To amend its certificate of public convenience and necessity No. ET-73n authorizing operation of transmission lines and facilities in the County of Chesterfield: Midlothian-Trabue 230 kV Transmission Line

FINAL ORDER

On August 2, 1988, Virginia Electric and Power Company ("Virginia Power" or "the Company") filed an application to amend its certificate of public convenience and necessity authorizing operation of transmission lines and facilities in Chesterfield County. In its initial application, Virginia Power sought authorization to build a single-circuit 230 kV transmission line from its existing Midlothian Substation to a proposed Trabue Substation, all in Chesterfield County.

Pursuant to an order dated November 1, 1988, the case was heard before a hearing examiner on February 2, 1989. Appearances were entered by Guy T. Tripp, Esquire, for Virginia Power, Edward E. Willey, Jr., Esquire, for Stonhenge Civic Association and Bonarco Associates, Steven L. Myers, Esquire, for the County of Chesterfield,[1] and Robert E. Eicher, Esquire, for Glen Roy Corporation and Tuckahoe Cardinal Corporation, and Deborah V. Ellenberg, Esquire, and Paula Cyr, Esquire, for the Commission Staff. Intervenors and the Company provided testimony at the February 2, 1989 hearing. A continuance was subsequently granted, pursuant to various parties' requests, to provide an opportunity for the parties to negotiate a settlement.

On November 28, 1989, Virginia Power filed an amended application and supporting testimony in which it proposed a different location for the new substation (the "Salomansky site") and further proposed rerouting of the transmission line to that site as shown on Exhibit A to the Company's Amended Application. Pursuant to the Hearing Examiner's ruling, Virginia Power provided public notice of the Amended Application. The Hearing Examiner also provided an opportunity for additional notices of protest and testimony. The hearing was reconvened on January 18, 1990.

No party disputed the need for the requested transmission line. The parties did not object to the location of the new substation at the Salomansky site. The only contested issues remaining at the time of the January 18, 1990 hearing were whether the routing of the portion of the transmission line on the property of Protestants Glen Roy Corporation and The Tuckahoe Cardinal Corporation ("the Garner Property") should be installed overhead or underground and if installed overhead, what route the line should follow on the Garner Property.

On February 20, 1990, Virginia Power and all the Protestants filed a stipulation in which they agreed to the routing of the transmission line as described in Virginia Power's Amended Application except as otherwise shown in Exhibit A attached to the stipulation. Protestants Glen Roy Corporation and The Tuckahoe Cardinal Corporation withdrew their objection to an overhead line on the Garner Property. Although Chesterfield County restated its preference for underground installation on the Garner Property, it explicitly recognized that the evidence indicated that reliability would be greater and costs substantially lower for an overhead transmission line.

On February 27, 1990, the Hearing Examiner issued his report in this case which found there was a need for the construction of the 230 kV transmission line and substation, and recommended approval of the construction of the proposed overhead transmission line as depicted in Exhibit A to Virginia Power's Amended Application except as otherwise shown in Exhibit A to the parties' stipulation. No parties filed comments with respect to the Hearing Examiners Report.

The record supports a determination that the route depicted in Exhibit A to the Amended Application, except as otherwise shown in Exhibit A to the parties' stipulation, best meets the criteria set forth in Virginia Code § 56-46.1. Further, an overhead transmission line is appropriate in this case. The record reveals that underground installation across the Garner property would be substantially more expensive than an overhead line. Moreover, Virginia Power has experienced numerous operating and maintenance problems with the one 230 kV transmission line it operates which is installed partially overhead and partially underground. There is no evidence that benefits will accrue to the Company or its ratepayers which outweigh the increased costs and risk of reliability problems associated with the underground installation of a portion of the proposed transmission line.

We therefore find it appropriate to adopt the parties' stipulation and find that the overhead route as depicted in Exhibit A to the Amended Application, except as otherwise shown in Exhibit A to the parties' stipulation satisfies the requirements of § 56-46.1 of the Virginia Code and the Utility Facilities Act. Accordingly,

IT IS ORDERED:

(1) That Virginia Power's proposed 230 kV transmission line and substation as depicted in Exhibit A to the Amended Application, except as otherwise shown in Exhibit A to the parties' stipulation is hereby approved pursuant to Virginia Code § 56-46.1 and the Utility Facilities Act;

(2) That, Virginia Power forthwith file with the Commission revised maps indicating the route approved in this order and that a certificate of convenience and necessity for the transmission line and substation be issued thereafter; and

(3) That the papers in this file be passed to the file for ended proceedings.

[1] At the subsequent hearing, the County of Chesterfield changed its status from Intervenor to Protestant.

Commissioner Thomas P. Harwood, Jr. did not participate in this decision.

CASE NO. PUE880071
APRIL 5, 1990

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

To amend its Certificate of Public Convenience and Necessity No. ET-73n, authorizing operation of transmission lines and facilities in the County of Chesterfield: Midlothian-Trabue 230KV Transmission Line

ORDER GRANTING CERTIFICATE

By Order of March 27, 1990, entered in this case, the Commission approved pursuant to Virginia Code § 56-46.1 and the Utility Facilities Act the construction and operation of the proposed Midlothian-Trabue 230 kV transmission line and substation as depicted in Exhibit A to Virginia Electric and Power Company's ("Virginia Power" or "the Company") amended application, except as otherwise shown in Exhibit A to the parties' stipulation.

In addition, the Commission ordered that an amended certificate of convenience and necessity be issued forthwith upon the filing by the Company of maps indicating the route approved in that order. The appropriate maps have been filed. Accordingly,

IT IS ORDERED:

(1) That amended certificate of public convenience and necessity be issued to Virginia Power as follows:

> Certificate No. ET-73r, for Chesterfield County, authorizing the Virginia Electric and Power Company to operate present transmission lines and facilities and to construct and operate the proposed single circuit 230 kV transmission line and substation, all as shown on the map attached thereto; Certificate No. ET-73r will supersede Certificate No. ET-73q, issued on December 19, 1989.

CASE NO. PUE880076
DECEMBER 13, 1990

APPLICATION OF
CEDAR RIDGE WATER COMPANY

For a certificate of public convenience and necessity pursuant to §§ 56-265.3 and 13.1-620 of the Code of Virginia for approval of tariffs

FINAL ORDER

On August 28, 1989, Cedar Ridge Water Company ("Applicant" or "Company") filed an application with the Commission for a certificate of public convenience and necessity to provide water service to approximately 61 customers in the Cedar Ridge subdivision located in Botetourt County, Virginia. In its application the Company also seeks approval of its tariffs.

On January 23, 1990, the Commission issued an order inviting comments and requests for hearing. Subsequently, certain property owners in the Cedar Ridge subdivision filed with the Commission a petition objecting to Company's proposed tariffs. In an order dated April 23, 1990, the Commission established a procedural schedule and set the matter for hearing on September 20, 1990.

Pursuant to the Commission's April 23, 1990 order, the matter came to be heard by Howard P. Anderson, Jr., Hearing Examiner. Counsel appearing were: Robert C. Hagan, Jr., for the Company; Noah M. Smith for the Cedar Ridge Property Owners Association ("Property Owners") and Marta B. Davis for the Commission's Staff.

The record reflects that the Property Owners do not oppose granting a certificate of public convenience and necessity to the Company but do object to Company's proposed tariffs. The tariff objection is based on an alleged prior agreement between the Company's owner, Mr. Curtis O. Simmons, and Property Owners as to future water rates.

On October 31, 1990, the Examiner filed his Hearing Examiner's Report. In his report, the Examiner made the following findings and recommendations:

1. There is a public need for water service in the area for which the certificate is sought;

2. No other public or privately owned water system is able to adequately provide service in the proposed area;

3. Applicant's facilities will provide proper and adequate service in the proposed service area;

4. Applicant has the financial and managerial ability necessary to properly maintain and operate the water system and render the required water service;

5. Applicant's proposed rules and regulations, as amended by staff witness Baird, are just and reasonable and should be approved by the Commission;

6. Applicant's proposed rates, with the deletion of the $50.00 charge for meter removal and reconnection, are just and reasonable and should be approved by the Commission.

The Examiner recommended that the Commission enter an order that adopts the findings of the report, grants the Applicant a certificate of public convenience and necessity to provide water service in the proposed service area, approves the Applicant's proposed rules and regulations, as amended by Staff, and approves the Applicant's proposed rates, with the deletion of the meter removal and reconnection fee.

In support of his determination that the Company's proposed water rates are reasonable, the Hearing Examiner noted that the Company is not proposing any increase in its basic water rate. The Examiner then cited legal precedent affirming the Commission's authority to fix the rates of regulated service companies regardless of prior agreements concerning rates. See Commonwealth of Virginia, ex rel. The Page Milling Company, Inc. v. Shenandoah River Light and Power Corporation, 135 Va. 47 (1923). Massaponax Sand and Gravel Corporation v. Virginia Electric and Power Company, 166 Va. 405 (1936).

No comments were filed concerning the Hearing Examiner's report.

NOW THE COMMISSION, upon consideration of the record and the Hearing Examiner's report, is of the opinion and finds that the findings and recommendations of the Examiner's October 31, 1990 report should be adopted.

ACCORDINGLY, IT IS ORDERED:

(1) That certificate of public convenience and necessity No. W-265, be issued to Cedar Ridge Water Company to provide water service to Cedar Ridge subdivision located in Botetourt County, Virginia;

(2) That Applicant's proposed rules and regulations areapproved, as amended by Staff. The Applicant should file with the Commissioner's Division of Energy Regulation the appropriate revised rules and regulations;

(3) That Applicant's proposed rates, with the deletion of the meter removal and reconnection fee, are approved;

(4) That there appearing nothing further to be done in this matter, this case be dismissed and the pages be placed in the file for ended causes.

CASE NO. PUE880092
OCTOBER 15, 1990

APPLICATION OF
COLUMBIA GAS OF VIRGINIA, INC.

To revise its tariffs

ORDER DISMISSING PROCEEDING

On August 23, 1989, the State Corporation Commission ("Commission") entered its Final Order in the captioned matter. In Ordering Paragraph (14) of that Order, the Commission permitted Columbia Gas of Virginia, Inc. ("Columbia" or "the Company") to implement a downwardly flexible transportation rate on an experimental basis and directed the Company to collect data concerning the implementation of these flexible transportation rates for a period of twelve (12) months to quantify any benefits flowing from them. The Commission further invited Columbia to file a petition and report at the conclusion of its twelve (12) month data gathering period, detailing the benefits arising from these flexible transportation rates and requesting authority to make these rates permanent, if appropriate. The Commission left the captioned docket open to receive a petition and report, if either were filed by the Company.

Since the time the captioned application was filed by Columbia, Columbia has been merged into Commonwealth Gas Services, Inc. ("Services"). Services is the surviving corporation.

By letter dated October 2, 1990, Services, by counsel, advised on behalf of Columbia, that its flexible transportation schedule was not implemented until October 1, 1989, and that Columbia had viewed the data collection period as beginning on October 1, 1989, and expiring on September 30, 1990. Services reported that competitive conditions were such during the twelve-month period ending September 30, 1990, that no downward flexing of the transportation rate occurred. In addition, Services noted that Columbia's tariff was superseded on October 1, 1990, when the unified tariffs which Services proposed for its operating divisions, including its former Columbia operations, became effective on an interim basis, subject to refund, in Application of Commonwealth Gas Services, Inc., Case No. PUE900034, a pending general rate application. Services advised that it did not intend to request that its experimental flexible transportation rates be made permanent. Services also suggested that it was appropriate to close the captioned docket.

NOW THE COMMISSION, upon consideration of Services' request on behalf of Columbia, is of the opinion and finds that the experimental downwardly flexible transportation rate schedule which we permitted to become effective on an interim basis should be withdrawn,

effective as of the date of this Order. We further find that this proceeding should be closed, and this matter removed from the Commission's docket of active proceedings. The withdrawal of the downwardly flexible transportation rate schedule ordered herein should not be considered final disposition or as prejudicing consideration of a similar rate schedule at issue in Application of Commonwealth Gas Services, Inc., Case No. PUE900034, a pending general rate case.

Accordingly, IT IS ORDERED:

(1) That Columbia's downwardly flexible transportation rate schedule, which was approved on an interim experimental basis by the August 23, 1989 Final Order entered herein, shall be closed and withdrawn, effective as of the date of this Order; and

(2) That there being nothing further to be done herein, the same shall be dismissed and removed from the Commission's docket of active proceedings.

CASE NO. PUE880105
MARCH 29, 1990

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For Revisions to Rate Schedule 8

FINAL ORDER

On November 15, 1988, Virginia Electric and Power Company ("Virginia Power" or "the Company") filed an application requesting approval of revisions to its Rate Schedule 8 which govern supplementary, maintenance, standby, and interruptible standby service to customers operating their own electric plants. The application was filed in response to our October 27, 1988 order in Case No. PUE880014, Application of Virginia Electric and Power Company for an increase in rates, 1988 S.C.C. Ann. Rpt. 312, which severed Schedule 8 issues from the Company's 1988 rate case. The Company subsequently modified its application in several respects, most notably to remove the optional curtailable service ("CS") provisions from Schedule 8 and incorporate those provisions into Schedule CS in Case No. PUE860081. Those interruptible standby provisions were approved by the Commission pursuant to an order entered in August 1989 and revised in January 1990. Application of Virginia Electric and Power Company - For approval of experimental rates - Schedules CS, SG, and 6TS (August 14, 1989 and January 4, 1990).

In its application, the Company proposed (1) to replace the single standby service demand charge with a series of standby demand charges based on the expected reliability of the customer's power plant, (2) to revise the standby energy rates so that they are consistent with the energy rates approved for payments to cogenerators and small power producers, (3) to adopt the Staff's proposed methodology for calculating the Schedule's maintenance charges, and as already noted, (4) to transfer the Schedule's interruptible standby provisions to the Company's curtailable service Schedule CS. The Company also proposed to make minor revisions in its demand charges and tariff language.

The case was heard before a hearing examiner on January 8, 1990 with appearances entered by Richard D. Gary, Esquire, for Virginia Power; Edward L. Flippen, Esquire, for Chesapeake Corporation, Stone Container Corporation and Westvaco Corporation ("Industrial Protestants"); Louis R. Monacell, Esquire, for the Virginia Committee for Fair Utility Rates ("the Committee") and Paula Cyr, Esquire, for the Commission's Staff. Briefs were filed on January 16, 1990. On January 31, 1990, the Hearing Examiner issued his report in this case. The Industrial Protestants filed comments to the Hearing Examiner's Report on February 14, 1990.

The Company's proposals raised only two contested issues. Do the revisions to Schedule 8 constitute an increase in rates under Virginia Code § 56-235.4 prohibiting any further rate increase by the Company in the twelve month period following the effective date of the new rates? Should customers under the standby service schedule be allowed to average the "Contract Available Hours" over a two or three year period, or should customers be limited to a twelve month period as proposed by the Company?

First, under Schedule 8, customers may opt to take standby service for those times when they may need service due to the unavailability of their own power plants. Under the Company's rate proposal, the customer is permitted to specify the number of on-peak hours when standby service will be needed ("Contract Available Hours"). Those customers which choose a rate that reserves fewer hours of capacity will be charged less per kilowatt hour ("kWh") than those customers reserving a larger amount of capacity. If a customer exceeds his contracted for level of reserved capacity, the Company will impose a penalty of $0.15 per kWh for all service exceeding the contracted amount.

Second, with certain exceptions, Virginia Code § 56-235.4 prohibits multiple increases in utility rates in any twelve month period. The Staff recommended deferral of the Company's increases in the standby demand charge for customers selecting "the 700 Contract Available Hours" schedule and in the maintenance charge for those increases. The Company did not generally dispute the Staff's recommendations but noted that its proposed tariff also included decreases to some rates. The Company however stated that it could not be certain that the proposed rate changes were revenue neutral overall and recommended that the entire rate schedule not be placed in effect until the Company's next rate case. The Hearing Examiner found the Company's proposal to defer implementation of the revisions reasonable. We agree with the Hearing Examiner's recommendation and find it appropriate to defer implementation of all of the rates, increases and decreases, until the retail rate increase is first implemented in the Company's next rate case.

The Industrial Protestants requested that the Contract Available Hours be averaged over a two or three year period before a penalty is imposed. Under the Industrial Protestants' three year proposal the Company would be required to reserve a certain level of capacity each year to serve a customer under Rate Schedule 8. The customer could forego utilizing any capacity in the first and second years but utilize all of the previously unused reserve capacity in the third year.

We agree with the Hearing Examiner and find that the Industrial Protestants' proposal is unacceptable. The Company must make available a certain level of capacity on an annual basis based, in part, upon the reserve requirements of its standby customers. Reserve costs

associated with those capacity levels are incurred regardless of whether the capacity is actually needed. The effect of the Industrial Protestants' proposal could cause the Company to have insufficient capacity available for standby service in any given year. The customer is presented with a series of rates from which to choose. It is the customer's decision to weigh the risk of reserving a lower amount of capacity at a lower kWh cost and perhaps incurring a penalty for excess usage against the higher kWh charge associated with reserving a higher level of capacity.

NOW, THE COMMISSION, upon consideration of the record in this proceeding and the applicable law, finds:

(1) That Virginia Power's proposed Schedule 8 is just and reasonable and should be approved by the Commission; and

(2) That Virginia Power should be allowed to place Schedule 8 in effect in its entirety in conjunction with implementation of any increase in retail rates in the Company's next rate case filing.

Accordingly, IT IS ORDERED:

(1) That Virginia Power's application as revised is hereby approved;

(2) That Virginia Power shall place Schedule 8 in effect in conjunction with the Company's next increase in retail rates; and

(3) That there appearing to be nothing further to come before the Commission in this proceeding, this case shall be removed from the docket and the papers placed in the file for ended causes.

CASE NO. PUE880109
JUNE 1, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte, in re: Investigation into the promulgation of gas submetering standards and regulations

ORDER

Section 56-245.3 of the Code of Virginia, adopted by the 1988 Session of the General Assembly, requires the Commission to promulgate regulations and standards under which gas submetering equipment may be installed in each dwelling unit, rental unit or store to fairly allocate each unit's cost of consumption and gas demand as customer charges.

Pursuant to order dated December 15, 1988, the Commission directed its Staff, in conjunction with interested task force members, to identify the issues associated with the Legislature's mandate. Also, pursuant to our December order, the Staff filed its Report and proposed rules on May 31, 1989. Pursuant to order dated June 21, 1989, the Division of Energy Regulation caused the publication of notice regarding the proposed submetering rules for two consecutive weeks in newspapers having general circulation throughout the Commonwealth. The Division of Energy Regulation submitted proof of its publication on August 10, 1989.

The Commission directed that comments to the Staff's proposed rules and requests for a hearing in this case be filed by August 25, 1989. Several persons filed comments to the Staff's proposed rules. In addition, the Mayor of the City of Alexandria requested a public hearing to be convened in northern Virginia.

Pursuant to the Commission's order dated December 13, 1989, notice was provided and a public hearing was convened on January 29, 1990, in the Circuit Court of the City of Alexandria, Virginia. On April 4, 1990, the hearing examiner issued his report in this case. The Apartment and Office Building Association filed comments to the Report on April 19, 1990. No other persons filed comments.

Because the gas submetering rules mirror, in large part, the electric submetering rules, the Staff proposed to establish one set of rules for electric and gas submetering. The issue in controversy in this case, however, focused on the gas submetering rules and specifically, whether timing devices are covered under Virginia Code § 56-245.3.

The Staff in its Report determined that if timing devices are considered gas submeters, they must be subject to the same accuracy, testing and record keeping as required of gas meters. Gas meters and gas submeters are governed by the American National Standards Institute ("ANSI") standards as set forth in ANSI/ACS B.109.2, B.109.2 and B.109.3. Timing devices cannot meet the criteria set forth in these standards.

The Staff in its Report refers to the National Institute of Standards and Technology ("NIST") which publishes Handbook 44, a guide to nationally adopted standards, which is reviewing the appropriate standards for timing devices used to allocate energy consumption. A national task force comprised of industry and states' weights and measures officials is attempting to fashion a standard for energy allocation systems i.e., timing devices. An issue presented in that analysis is the determination of the proper agency to enforce such standards. The question to be addressed is should such enforcement be the responsibility of the National Association of Regulatory Utility Commissioners, of the Weights and Measures Bureau of the Virginia Department of Agriculture and Consumer Services, which under the Virginia Weights and Measures Law adopted those criteria set forth in Handbook 44; the Consumer Affairs Division of the Virginia Department of Agriculture and Consumer Affairs who enforces, to some extent, the Virginia Residential Landlord Tenant Act; or state public utility commissions.

We recognize that complaints by tenants have arisen over the allocation of gas usage by timing devices. However, this Commission is not statutorily authorized under Va. Code § 56-245.3 to regulate timing devices; it is only empowered to regulate meters and gas submeters that meet the ANSI B.109 standards enumerated above. It is axiomatic that the Commission's jurisdiction is limited to that authorized by statute and Constitution. City of Richmond v. Chesapeake and Potomac Telephone Company, 127 Va. 612, 105 S.E. 127 (1920); Town of Appalachia v. Old

Dominion Power Company 184 Va. 6 (1945). A timing device simply cannot be classified as a gas submeter for it does not measure gas consumption and thus cannot meet the ANSI B.109 standards. A timing device is rather a means to allocate usage other than on a square footage or per unit basis.

While the record reflects that local consumer-oriented agencies have been faced with accuracy and billing problems arising from the use of timing devices, we are without jurisdiction to prohibit the use of timing devices.

The current statutes, in our opinion, do not provide us that authority necessary to regulate energy allocation systems or timing devices. We therefore find it appropriate to adopt the Hearing Examiner's Report and Staff's proposed rules with certain minor modifications as set forth below. We further find it appropriate that the proposed electric and gas submetering rules be reduced to one set of rules for ease of administration and efficiency. We find that the Staff's proposed rules are appropriate, modified as follows:

(a) Paragraph III, in line 4, remove the second "a" between the words "not" and "written."

(b) Paragraph VI. 2, in line 2, change the word "have" to "having."

(c) Paragraph VII. 3, in line 2, change the word "with" to "within."

Accordingly, IT IS ORDERED:

(1) That the Staff's proposed rules on electric and gas submetering are hereby adopted, subject to those minor modifications noted in this order;

(2) That the adopted rules be published in the Virginia Register in accordance with Virginia Code § 9-6.18; and

(3) That there appearing 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.

CASE NO. PUE890005
APRIL 13, 1990

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

To amend certificates of public convenience and necessity authorizing transmission lines and facilities in the County of Fauquier (Certificate No. ET-80j) and the County of Prince William (Certificate No. ET-105s)

APPLICATION OF
NORTHERN VIRGINIA ELECTRIC COOPERATIVE

To amend certificate of public convenience and necessity authorizing operation of transmission lines and facilities in the County of Prince William (Certificate No. ET-125) and to grant a certificate of public convenience and necessity authorizing operation of transmission lines and facilities in the County of Fauquier

Gainesville-Warrenton 230 kV Transmission Line and Related Facilities

ORDER GRANTING CERTIFICATE

Before the Commission is the application of Virginia Electric and Power Company (Virginia Power) and Northern Virginia Electric Cooperative (NVEC) for authority to construct transmission lines and facilities in Prince William and Fauquier Counties. On January 30, 1990, Senior Hearing Examiner Russell W. Cunningham filed his report recommending that the Commission grant the authority. For reasons explained below, the Commission will adopt Examiner Cunningham's recommendation and grant authority to construct the facilities.

Applicants Virginia Power and NVEC initially sought authorization to construct three segments of transmission line connecting three existing substations and a proposed substation. The Applicants proposed to construct and operate jointly a double-circuit transmission line from Virginia Power's existing Gainesville Substation to NVEC's existing Wheeler Substation, a distance of approximately 6.3 miles, along an existing transmission-line corridor. They proposed to extend this joint transmission line approximately 5.1 miles further on a new corridor from Wheeler Substation to the Cooperative's proposed Mill Run Substation. The utilities proposed two alternate sites for the substation, the northern and southern sites, and three possible routes for the Wheeler-Mill Run line. Virginia Power would operate one circuit of this line at 230 kV, and NVEC would initially operate its circuit at 115 kV with conversion to 230 kV when required by load growth. Finally, Virginia Power proposed to construct a new 230 kV single-circuit transmission line on a new corridor from the proposed Mill Run Substation to its existing Warrenton Substation, a distance of approximately three miles.

Senior Hearing Examiner Cunningham opened the hearing on this application on September 12, 1989, in Warrenton, Virginia. After receiving testimony from a number of intervenors and individual protestants, the Examiner ruled that the proposed transmission line route between the Wheeler Substation and the proposed Mill Run Substation passing through the Auburn Crossing community was not viable. He determined the remaining two alternatives would be considered. Neither the Applicants nor other parties excepted to this ruling. The Examiner then continued the hearing to allow Virginia Power and NVEC to resolve differences with Protestant Department of the Army and Protestant W. Robert Gaines, Trustee of the W. Roland Gaines Trust (Gaines Trust) over the alignment of the transmission line along one of the remaining proposed routes between NVEC's Wheeler and Mill Run Substations.

As a result of their negotiations, the Applicants and the Gaines Trust jointly proposed to realign a portion of one of the remaining corridors between the existing Wheeler Substation and the proposed Mill Run Substation. On October 23, 1989 the Examiner ruled that Virginia Power and NVEC should file additional testimony and exhibits addressing the environmental impact of the variation in anticipation of further hearing. Consideration of the modification proposed by the Applicants and the Gaines Trust, however, was mooted by a subsequent development. On December 1, 1989, Virginia Power and NVEC moved to amend their application to delete the proposed joint double-circuit line between Virginia Power's Gainesville Substation and NVEC's proposed Mill Run Substation. NVEC instead proposed to construct a single-circuit transmission line from Virginia Power's Gainesville Substation to Wheeler Substation along the existing corridor. With the elimination of the second circuit, Virginia Power no longer seeks any authority in this application. This line would be initially operated at 115 kV and converted to 230 kV operation when load demanded. The Cooperative also proposed to build a 3.2-mile line from Virginia Power's Warrenton Substation to the proposed southern site for Mill Run Substation. This Warrenton-Mill Run line would be initially constructed for operation at 34.5 kV and reconstructed for transmission at 230 kV when load demand requires. NVEC estimated that reconstruction would be necessary after approximately five years. The amendment deleted the proposed northern Mill Run Substation site.

In support of the Motion to Amend, the Applicants stated that the proposed 230 kV transmission line between the Wheeler Substation and the proposed Mill Run Substation was not feasible for national security reasons related to activities at Protestant Department of the Army's Vint Hill Farms Station. However, the applicants stated that load growth required NVEC to move forward with the modified application. There was no opposition to the Motion to Amend, and the Examiner subsequently granted the request to amend the application.

The Examiner filed his report on January 30, 1990, in which he recommended that the Commission grant the application, as substantially modified by the subsequent amendment. Applicants jointly filed comments urging the Commission to adopt the report. No other parties filed comments. In his report, the Examiner found that NVEC had established a need for the facilities proposed in the amended application, and we adopt this finding. The filed testimony and exhibits admitted as evidence and the additional testimony elicited at hearing established that NVEC has experienced substantial customer growth in recent years and the prospect of further growth requires improved transmission facilities and the proposed Mill Run Substation.[1] NVEC witness Gosney testified that NVEC had constructed a temporary Airlie Substation in the fall of 1987 to transfer load until the proposed project could be completed, but the Airlie Substation had limited capacity. With the exception of a small segment of the line leaving Virginia Power's Warrenton Substation, all of the proposed facilities are within NVEC's certificated service territory. Virginia Power does not object to the location of NVEC's line in its certificated service territory.

As the Examiner further found in his report, the issue in contention was whether the proposed location of some of these facilities had the least environmental impact. The Commission finds that the proposed transmission line segment from Virginia Power's Gainesville Substation to NVEC's Wheeler Substation minimizes any adverse environmental impact. The Applicants presented testimony and exhibits showing that this proposed transmission line would be constructed along an existing corridor and that appropriate efforts would be made to protect the environment. The record contains no evidence of adverse impact caused by upgrading the transmission line along the existing corridor from Gainesville to Wheeler.

Opposition to the amended application centered on the location of NVEC's proposed Mill Run Substation and the transmission line linking the Substation to Virginia Power's Warrenton Substation. In the amended application, NVEC proposed only the southern site for the Substation. The record shows that the southern site is nearer to the geographical and electrical load centers of the area. NVEC already owns this five acre tract with necessary easements for access. The size of the tract and its wooded nature would allow screening of the transformers and related facilities from view, and these facilities would also be a substantial distance from any inhabited structures. Further, NVEC has secured zoning approval from Fauquier County for use of the site as a substation. The record does show that the alternate northern site included in the original application is located approximately 4,000 feet from the southern site. A substation at this alternate site could serve the load.

The Commission adopts the Examiner's finding that use of the southern site, as proposed by NVEC, is appropriate. The environmental and engineering evidence supports use of the southern site. Since the site is already owned by NVEC, construction may proceed promptly. We have also considered the fact that Fauquier County has authorized the use of the southern site. The County's approval indicates that the use of the southern site is compatible with other land uses in the area.

The Commission also adopts the Examiner's recommendation that the proposed transmission line route between the southern site for the Mill Run Substation and Virginia Power's Warrenton Substation be approved. The record shows that the proposed corridor should have the least possible impact on the environment. NVEC has stated in the record that it will cooperate with protestant landowners and other landowners in locating supporting structures to reduce visual impact and erosion. NVEC should honor these pledges and work with landowners to reduce all impacts of this transmission line during construction and operation.

The Commission has previously authorized utilities seeking approval for transmission lines pursuant to § 56-46.1 of the Code to operate these lines initially at a lower voltage and to increase voltage when load required. These applications have been considered as if operation were at the higher voltage, so all environmental, economic, and operational factors could be considered. With regard to the Gainesville-Wheeler transmission line, we find that the record supports authorization for initial operation at a lower voltage and later conversion to 230 kV operation. Turning to the Warrenton-Mill Run line, the Commission has reservations about the additional costs and the impact of construction in this area twice within approximately five years. However, the record shows that the Cooperative proposed this plan to replace the temporary Airlie Substation. There is also evidence that Virginia Power must modify its Warrenton Substation before service can be brought to Mill Run at 230 kV. Therefore, the Commission will authorize this construction as proposed in the application, but NVEC should take all reasonable steps to reduce environmental impact and to work with affected landowners.

In conclusion, the Commission finds that NVEC and Virginia Power have established that the public convenience and necessity require construction of the proposed segments of transmission line and the proposed Mill Run Substation. The Commission further finds that the proposed corridors for the transmission lines will minimize any adverse environmental impact as required by § 56-46.1 of the Code. Accordingly,

IT IS ORDERED:

(1) That this amended application of Northern Virginia Electric Cooperative and Virginia Electric and Power Company, pursuant to §§ 56-46.1 and 56-265.2 of the Code of Virginia be granted;

(2) That Northern Virginia Electric Cooperative be authorized to construct and operate a single-circuit line from Gainesville Substation to Wheeler Substation at 115 kV with conversion to 230 kV operation when load requires;

(3) That Northern Virginia Electric Cooperative be authorized to construct and operate Mill Run Substation and a single-circuit line from Warrenton Substation to Mill Run Substation at 34.5 kV; and to reconstruct and operate between Warrenton Substation and Mill Run Substation a single-circuit line at 230 kV when load requires;

(4) That certificates of public convenience and necessity be issued to Northern Virginia Electric Cooperative as follows:

a. Certificate No. ET-125a, for Prince William County, authorizing the Northern Virginia Electric Cooperative to construct and operate the proposed transmission line, as shown on the map attached thereto; said Certificate No. ET-125a is to supersede Certificate No. ET-125 issued on November 21, 1961; and

b. Certificate No. ET-149, for Fauquier County, authorizing Northern Virginia Electric Cooperative to construct and operate the proposed transmission line and substation, all as shown on the map attached thereto;

(5) That this matter be dismissed from the Commission's docket and the papers herein be placed in the files for ended proceedings.

[1] The Commission notes that a number of documents were filed by various protestants in anticipation of their admission as testimony and exhibits in this proceeding, but they were never offered for admission into evidence and are not part of the record we now consider.

CASE NO. PUE890007
MAY 1, 1990

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of expenditures for new generation facilities pursuant to Virginia Code § 56-234.3 and for a certificate of public convenience and necessity pursuant to Virginia Code § 56-265.2

OPINION AND FINAL ORDER

Opinion of the Commission:

On January 26, 1989, Virginia Electric and Power Company ("Virginia Power" or "Company") filed an application seeking approval under Virginia Code §§ 56-234.3 and 56-265.2 to construct a 218.83 megawatt ("MW") combined cycle generating unit ("Chesterfield 8") in Chesterfield County, Virginia. On March 15, 1989, the Company filed an application seeking approval to construct four combustion turbine generating units ("Darbytown CTs") totaling 340 MWs in Henrico County, Virginia.

On March 20, 1989, the Commission consolidated the two applications under this docket number, and a hearing before Glenn P. Richardson, Hearing Examiner, was held July 5 through July 7, 1989. The Company, the Commission's Staff, six protestants (the Virginia Committee for Fair Utility Rates, Old Dominion Electric Cooperative, Chesterfield County, Mission Energy Company, Commonwealth Gas Pipeline, and Tellus, Inc.), and two interveners (Coastal Power Production Company and the National Independent Energy Producers) participated.

The Hearing Examiner identified two broad issues: 1) whether Virginia Power needs Chesterfield 8 and the Darbytown CTs in order to provide reasonably adequate service, and 2) whether the Commission should increase its regulatory oversight of Virginia Power's electric generation capacity planning and acquisition process.

On August 9, 1989, the Hearing Examiner issued an Interim Report recommending the approval of the construction of Chesterfield 8 and the Darbytown CTs. On August 25, 1989, the Commission issued an order authorizing Virginia Power to construct those units and requiring that the docket remain open to consider the capacity planning issues identified by Mr. Richardson.

During the hearing, the Commission's Staff and the Virginia Committee for Fair Utility Rates were critical of Virginia Power's current capacity planning and acquisition process, citing the following "warning signals," which may impair the reliability of Virginia Power's system:

1. Virginia Power relies heavily on capacity purchases from the largely unproven nonutility generation industry.

2. Virginia Power's capacity planning process does not include sufficient contingency planning for potential problems, such as greater than expected attrition of nonutility generation or errors in the forecasting of peak load.

3. The Company has historically underestimated its peak load.

4. Virginia Power's current projections assume that capacity additions through the year 2003 will be met by purchases which are presently unidentified, and that the Company will build its own units only if sufficient capacity purchases do not materialize. This

philosophy could lead to hasty planning in a crisis atmosphere, which would not allow sufficient time for adequate Commission review of proposed Company-owned units.

5. Virginia Power's planning process incorporates a reserve margin of 18.5%, which may be inadequate, especially given the questionable availability of nonutility generation.

6. Virginia Power did not maintain sufficient reserves to satisfy its commitment to the Virginia-Carolina Reliability Council during certain periods in 1987 and 1988.

7. The Company's decisions to buy or build additional capacity are based upon questionable cost data and assumptions, which may result in the selection of unreasonably higher cost alternatives for meeting future capacity needs.

8. Virginia Power's planning process does not incorporate sufficient sensitivity studies or risk analyses to determine the best alternatives for meeting capacity needs.

9. The utility's five-year planning horizon is too short and limits capacity supply options, such as advanced combined cycle units or medium pulverized coal-fired units, which may be more beneficial to ratepayers.

10. Transmission constraints have curtailed Virginia Power's ability to import large blocks of capacity from nearby utilities.

11. Virginia Power's ability to purchase capacity from neighboring utilities in the next decade may be hindered by a reduction of available capacity from those utilities.

12. The Company's short-term and emergency power purchases to meet peak demands have steadily increased in size and frequency.

13. The frequency of voltage reductions by Virginia Power has been increasing.

14. Many of Virginia Power's planning assumptions, especially relating to the operating characteristics of its nuclear generating units, are overly optimistic or unrealistic.

15. Most of Virginia Power's new capacity additions rely primarily on natural gas and oil, which have historically exhibited volatile prices relative to other fuels. Furthermore, there currently is not enough pipeline capacity to accommodate all of the gas-fired electric generating facilities being planned.

After considering the evidence, the Hearing Examiner made the following overall findings:

1. Virginia Power's capacity planning and acquisition process should be subjected to more rigorous Commission oversight in view of the Company's recent policy decision to rely primarily on nonutility generation to supply most of its future capacity needs and the "warning signals" identified by the Staff and the Committee;

2. The most appropriate method to increase regulatory oversight is to direct the Commission's Staff to increase its administrative review of the Company's capacity planning and acquisition process;

3. The Staff's review should include, at a minimum, a critical review of all phases of the Company's capacity planning efforts, with a comprehensive review of the Company's modeling techniques and input data assumptions for forecasting system load, the operation of Company-owned facilities, and power supplied by third parties;

4. The Staff should also be directed to expand its review of the Company's long-range forecasts filed with the Commission to insure that: (i) optimization runs are provided by the Company to support projections; (ii) necessary sensitivity studies are performed by the Company to effectively accomplish risk analysis; (iii) necessary transmission studies are conducted by the Company prior to future increased reliance on purchased power; (iv) studies have been conducted by the Company to demonstrate that fossil and nuclear performance levels can be maintained at projected levels before such levels of performance are assumed for capacity expansion modeling; (v) realistic attrition levels for nonutility generation are assumed for planning purposes by the Company; and (vi) realistic natural gas pipeline capacity levels are assumed by the Company to support nonutility as well as Company-owned production facilities;

5. This docket should remain open for a period of at least one year to give the Commission's Staff an adequate opportunity to critically review and positively influence the Company's capacity planning and acquisition process;

6. At the expiration of the one-year period, the Staff should be directed to prepare a report for the Commission documenting any improvements in the Company's capacity planning and acquisition process along with any recommendations on whether any future action of the Commission is necessary;

7. The Company's recommendation that it be absolved of any risk during this period of increased Staff oversight should be rejected; and

8. There are currently adequate provisions in place to insure that Virginia Power's Requests for Proposals ("RFPs") and selection techniques for future capacity additions are conducted in a fair and unbiased manner; therefore, the proposal to limit Virginia Power to recovering only its estimated construction costs in the ratemaking process as well as the proposals aimed at requiring Virginia Power to bid in future RFPs or adopt a "benchmark approach" should be rejected at this time.

Having considered the record, the Hearing Examiner's Report, and the exceptions thereto, the Commission is of the opinion that the Hearing Examiner's findings and recommendations are reasonable and should be adopted. Since the passage of the Public Utility Regulatory Policies Act of 1978, 16 U.S.C. §§ 2601 et seq. (1978), which promotes the purchase of electric energy and capacity from cogeneration and small power producers, Virginia Power has come to depend on an ever increasing amount of nonutility generation to satisfy its capacity needs. Yet, capacity purchases have not to date received the same level of Commission scrutiny as have proposed Company-owned generating units. Accordingly, the level of Commission oversight of Virginia Power's total capacity planning and acquisition process has decreased in recent years.

We are concerned about the foregoing situation. We are convinced, as was the Hearing Examiner, that Virginia Power's planning and acquisition process has failed to evolve sufficiently with the changes in the industry. If problems such as those identified during the hearing are not corrected soon, system reliability could be jeopardized. This development, in turn, could have serious ramifications for power supplies throughout the East Coast because of the interdependence of regional electric systems. Accordingly, Virginia Power's situation is important not only to its customers, but also to those of other utilities.

We are also disturbed by Virginia Power's posture regarding capacity planning and acquisition. The Company refused to admit in this proceeding that there are problems with its planning and acquisition process. Furthermore, several capacity planning and acquisition decisions made by the Company in the past were made without adequate study of their long-term consequences. For example, in 1986 Virginia Power lowered its target reserve margin from 20% to 18.5% without preparing a reserve margin study. This action is especially troubling because, at the same time, the Company was embarking on a course of using nonutility generation to satisfy much of its future capacity needs. The unproven nature of this new industry should have indicated a need for a higher reserve margin rather than a lower one. We were pleased that, prior to the commencement of the hearing in this case, the Company increased its target margin to 21%.

Like the Hearing Examiner, we believe that many characteristics of the Company's planning process are cause for concern, including: a growing dependence on purchases from nearby utilities to meet peak demand, a heavy reliance on particular sources of supply or generation technology, a tendency to favor nonutility purchases rather than construction of its own generation facilities,[1] and a lack of adequate contingency planning for unexpected events. All of these factors indicate that a comprehensive effort by both the Company and the Staff is necessary to begin to address the numerous problems identified in this case.

We also agree with the Hearing Examiner that, though a higher level of monitoring by the Commission is clearly necessary, administrative oversight by the Staff, as opposed to formal proceedings, appears adequate at this time to encourage the necessary improvements in Virginia Power's planning and acquisition process. However, if such informal efforts do not achieve significant positive results, we will not hesitate to use more stringent and formal methods to determine remedial measures. In mandating this increased oversight by our Staff we emphasize that we will not be engaging in management of the Company. The Staff's role will be to review, identify, comment, and recommend, if necessary, remedial action to eliminate perceived deficiencies in the planning process. Nothing we require here, however, should be construed as relieving the Company of the ultimate responsibility for its decisions.

We also note that while the focus of this proceeding has been on the Company's supply-side responses to customer load growth, we support and encourage the implementation of cost-effective load management and conservation programs. To the extent that such programs defer the need for capacity additions or reduce the consumption of fuel, both ratepayers and shareholders benefit. In fact, any prudent planning process should place demand-side options in direct competition with supply-side alternatives when responding to the need for marginal capacity.

Finally, as noted, some parties contended that, on those occasions when Virginia Power chooses to build its own plants rather than purchase capacity, the resulting increase to rate base should be limited to costs estimated by the Company at the time it exercised that option, rather than the actual costs of construction experienced later. In the same vein, it was urged that Virginia Power should submit its own "bid", or prepublish the benchmark by which it would judge proposals received, as a part of any solicitation process it might use.

We do not adopt these proposals at the present time. As the Hearing Examiner noted, the Commission has adequate procedures in place to entertain complaints by any party feeling itself aggrieved by Virginia Power's capacity acquisition process.

Accordingly,

IT IS, THEREFORE, ORDERED:

1. That the findings and recommendations of the January 22, 1990, Hearing Examiner's report are adopted;

2. That the Commission's Staff is directed to increase its administrative review of Virginia Power's capacity planning and acquisition process, and such review shall include, at a minimum, a critical and thorough review of all phases of the Company's capacity planning efforts, including its modeling techniques and data development for forecasting system load, the operation of Company-owned facilities, the availability of power supplied by third parties, and the evaluation of load management and conservation programs which may provide cost effective alternatives to supply-side options;

3. That the Commission's Staff is directed to expand its review of Virginia Power's long-range forecasts filed with the Commission to insure that they are supported by the following factors: (i) optimization runs to validate projections, (ii) sensitivity studies to effectively accomplish risk analyses, (iii) transmission studies conducted prior to future increased reliance on purchased power, (iv) studies to demonstrate that projected fossil and nuclear performance levels are reasonable for capacity expansion modeling, (v) realistic assumed attrition levels for nonutility generation, and (vi) realistic assumptions concerning natural gas pipeline capacity levels to support nonutility as well as Company-owned, gas-fired production facilities; and

4. That this case will remain open pending the receipt one year from the date hereof of a Staff report to the Commission which shall document any improvements in the Company's capacity planning and acquisition process, along with any recommendations for future Commission action.

[1] We caution against a too-literal reading of a portion of our order of January 29, 1988, in Case No. PUE870080. In footnote 5, we referred to the utility as "the supplier of last resort..." There, however, we were questioning only the propriety of the utility participating as a bidder in any solicitations. We merely noted that the utility always has the option of rejecting all bids if it decides it can build the required capacity more cheaply. We certainly did not suggest that the utility should forego building under any circumstances until all other options are exhausted. System reliability, in our view, requires a balanced mix of generation resources. Our order of July 17, 1987, in Case No. PUE860058, emphasized our concern with such a balance when we approved the building of Chesterfield Unit 7 despite contentions that cogenerators were available to supply the needed capacity.

CASE NO. PUE890017
JUNE 21, 1990

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

To amend certificates of public convenience and necessity authorizing transmission lines and facilities in the Counties of Charles City and New Kent (Certificate No. ET-71f), in the County of Hanover (Certificate No. ET-85k), and in the County of Henrico (Certificate No. ET-86j): Elmont-Chickahominy 230 kV Transmission Line

ORDER GRANTING APPLICATION

Before the Commission is this Application of Virginia Electric and Power Company ("Virginia Power" or "Company") for authority to construct and to operate a transmission line through the counties of Charles City, Hanover, and Henrico. On May 23, 1990, Senior Hearing Examiner Russell W. Cunningham filed his report recommending that the Commission grant the Application with several modifications in the proposed transmission-line route. Two parties filed comments on the Examiner's Report. In its comments, Virginia Power supported the Examiner's conclusions and recommendations. Intervenor Wayne Watkinson commented on certain environmental issues which we address below. For reasons explained below, the Commission will adopt the Examiner's recommendations and grant this application authorizing construction and operation of the Elmont-Chickahominy 230 kV transmission line.

As required by §§ 56-46.1 and 56-265.2 of the Code of Virginia, the Company must first establish a need for the proposed transmission line that cannot be met by existing facilities. Virginia Power must then show that the proposed transmission line route will have the lowest possible impact on the environment. The Examiner found that the evidence presented by Virginia Power showed substantial growth in the area generally east of Richmond, and that this growth would require construction of new substations which this line would serve. The record showed that existing facilities cannot insure a reliable power supply to the planned substations. The Commission concurs in this analysis, and we adopt the Examiner's finding that there is a need for the proposed facilities.

The Examiner then turned to an analysis of the proposed route for the transmission line. He found that the evidence supported construction of the line along the route favored by Virginia Power, with some modifications. The impact of the alternate route suggested by the Company was so substantial as to preclude its use. The Commission agrees with the Examiner and adopts his recommendations. In particular, we adopt the recommendation that the portion of the transmission line adjacent to Knollwood Estates be relocated to the north side of Totopotomy Creek. The Commission also adopts the Examiner's recommendation that the line be moved northward through portions of the Clark and Moncure properties. We will also direct Virginia Power to consult with the owners of the Clark properties to determine locations for supporting structures that will limit visual impact for both properties.

In his comments on the Examiner's Report, Intervenor Wayne Watkinson expressed concern about the transmission line's impact on wildlife and the "ecological balance" in the Totopotomy Creek basin. Attached to his comments was a copy of an article from a Humane Society of the United States publication. The article attached to Mr. Watkinson's comments was not part of the record developed in this proceeding, and the Commission cannot consider this document. The evidence presented at the hearing does establish that the proposed transmission route, as modified by this order, will minimize the environmental impact as required by law.

Mr. Watkinson also commented on compliance with state and federal law governing construction in wetlands. The record in this proceeding shows that Virginia Power considered the impact on drainage areas and wetlands when it proposed the route we approve, with modifications, in this proceeding. As the Company well understands, Commission approval does not relieve Virginia Power from compliance with any environmental requirements enforced by any state or federal agency. Virginia Power must comply with any applicable state or federal regulations governing wetlands.

In conclusion, the Commission finds that Virginia Power has established that the public convenience and necessity require construction of the proposed transmission line. The Commission further finds that the proposed route for the transmission line, as modified herein, will minimize adverse environmental impact as required § 56-46.1 of the Code.

Accordingly, IT IS ORDERED:

(1) That this application of Virginia Power, pursuant to §§ 56-46.1 and 56-265.2 of the Code of Virginia, be granted as amended by this order;

(2) That, upon issuance of appropriate certificates of public convenience and necessity, Virginia Power be authorized to construct and to operate a single-circuit transmission line at 230 kV on structures designed for a double circuit from its Elmont Substation, Hanover County, to its Chickahominy Substation, Charles City County along the route approved by this order; and that Virginia Power be authorized to construct and to operate on the same structures an additional circuit operating at 230 kV when load requires;

(3) That, forthwith upon receipt of this order, Virginia Power shall file maps showing the revisions in routing so that appropriate certificates of public convenience and necessity may be issued.

CASE NO. PUE890017
AUGUST 8, 1990

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

To amend certificates of public convenience and necessity authorizing transmission lines and facilities in the Counties of Charles City and New Kent (Certificate No. ET-71f), in the County of Hanover (Certificate No. ET-85h), and in the County of Henrico (Certificate No. ET 86j): Elmont-Chickahominy 230 KV Transmission Line

ORDER GRANTING CERTIFICATES

By Order of June 21, 1990, entered in this case, the Commission approved, pursuant to Virginia Code § 56-46.1 and the Utility Facilities Act, the construction and operation of a proposed double-circuit 230 KV transmission line between the existing Elmont Substation in Hanover County and the existing Chickahominy Substation in Charles City County, transiting Henrico and New Kent Counties. Initially, the Company will construct and operate a single line over the approximately 31.5 mile corridor. A second line would be installed in the future on the same structures, when load growth makes it necessary.

The Commission adopted the Hearing Examiner's recommendations that a portion of the transmission line adjacent to Knollwood Estates be relocated to the north side of Totopotomy Creek and that the line be moved northward through portions of the Clark and Moncure properties.

In addition, the Commission ordered that amended certificates of convenience and necessity be issued forthwith upon the filing by the Company of maps indicating the route approved in that order. The appropriate maps were filed on July 26, 1990. Accordingly,

IT IS ORDERED:

(1) That amended Certificates of Public Convenience and Necessity be issued to Virginia Power as follows:

A. Certificate No. ET-71g, for Charles City and New Kent Counties, authorizing the Virginia Electric and Power Company to operate the present transmission lines and facilities and to construct and operate the proposed double-circuit 230 KV transmission line and facilities, all as shown in the map attached thereto; Certificate No. ET-71g, will supersede Certificate No. ET-71f, issued on May 15, 1986;

B. Certificate No. ET-85j, for Hanover County, authorizing the Virginia Electric and Power Company to operate the present transmission lines and facilities and to construct and operate the proposed double-circuit 230 KV transmission line, all as shown on the map attached thereto; Certificate No. ET-85j, will supersede Certificate No. ET-85i, issued on November 13, 1989, and

C. Certificate No. ET-86l, for Henrico County, authorizing the Virginia Electric and Power Company to operate the present transmission lines and facilities and to construct and operate the proposed double-circuit 230 KV transmission line, all as shown on the map attached thereto; Certificate No. ET-86l, will supersede Certificate No. ET-86k, issued on November 22, 1989.

CASE NO. PUE890035
JANUARY 12, 1990

APPLICATION OF
VIRGINIA ELECTRIC AND POWER CO.

For an expedited increase in rates

FINAL ORDER

On March 31, 1989, Virginia Electric and Power Company ("Virginia Power" or "the Company") filed an application for an expedited increase in rates pursuant to the Commission's Rules Governing Utility Rate Increase Applications and Annual Informational Filings ("Rules"). Virginia Power's proposed rates would produce additional revenues of $94,956,000 based upon the test year ending December 31, 1988. The Company requested permission to place the proposed rates in effect, subject to investigation and refund, for service rendered on and after May 1, 1989. By order dated April 28, 1989, the Commission granted that request.

Pursuant to order dated April 18, 1989, a hearing examiner conducted a hearing on September 7 and 8, 1989. Counsel appearing were Evans B. Brasfield, Richard D. Gary and John E. Cunningham for Virginia Power; Louis R. Monacell and A. C. Epps for the Virginia Committee for Fair Utility Rates ("VCFUR"); Gail S. Marshall, Edward Petrini and Martha B. Brissette for the Division of Consumer Counsel, Office of the Attorney General ("AG"); Dennis R. Bates for the Fairfax County Board of Supervisors; and Deborah V. Ellenberg and Paula Cyr for the Commission's Staff. Jean Anne Fox testified as an intervener on behalf of the Virginia Citizens Consumer Council.

Russell W. Cunningham, Senior Hearing Examiner, issued his report on November 17, 1989, in which he discussed the issues and made recommendations for their resolution. As discussed below, we adopt most of his recommendations.

L. Accounting Adjustments

The Company did not dispute the following proposed Staff adjustments: unbilled revenues, salary and IBEW (union employees) changes, expenses for benefits, research and development, insurance, insurance dividends, postage, U.S. Council for Energy Awareness, deferred tax related to depreciation, gross receipts deferred tax, deferred tax, property tax, Social Security (FICA) tax, and business and occupation tax., In addition, the Company did not dispute interest income related to rail transportation (CSX) charges and working capital for projected fuel.[1] We find those adjustments reasonable.

A. Severance Pay Expenses

There are two separate areas related to severance pay expenses: one relates to the proper level of 1988 test-year severance pay and the other relates to the proper level of severance pay arising from the Company's 1989 Activity Review and Resource Allocation Study ("ARRA").

1. Test-Year Severance Pay

The AG and VCFUR witnesses recommended a reduction in the amount of $1,784,000 in the Company's test-year severance pay expense. The Company's rebuttal testimony proposed a reduction in the amount of $892,000 to reflect that amount of severance not offset by payroll savings. The Staff proposed no adjustments to the Company's test-year level of severance pay.

VCFUR recommended exclusion of the 1988 test-year severance pay for two principal reasons: First, all of the employee terminations did not take place in September, 1988, and thus the Company had been recovering a level of salary expense that matched the level of severance costs in the test year. Second, it contended that the annualized savings in the proforma period exceeded the test-period severance pay the Company sought to recover. In its rebuttal testimony, the Company argued that it should only be required to offset its costs by its savings, which it calculated, on average, as eight months of paid salary and 8.5 months of severance pay during the test year, for a total expense of 16.5 months. Thus, the Company stated that it still needed to recover 4.5 months of salary expense. However, the Company did not offer evidence identifying the date of each termination to rebut the VCFUR testimony that the terminations were spread evenly throughout the year. The Company simply argued that no party provided probative evidence on the issue and that the exhibit introduced by VCFUR only showed the number of employees each month and failed to identify which of them involved severance pay or the date of occurrence.

We reject the Company's argument. The Company possesses all of the evidence relative to this issue. It has the burden of proof. Once the issue relating to test-year severance pay and the date of the termination of employees was raised, i.e. whether all of the terminations occurred in September or whether they occurred throughout the year, it was the Company's responsibility to meet this challenge. It failed to do so. We agree with the Examiner that test-year severance pay was offset by payroll savings, and we thus find the Company's proposed increase of approximately $1.8 million inappropriate.

2. ARRA Severance Pay

In 1989, the Company completed a study which resulted in the elimination of many Company positions. As a result of these eliminations and the subsequent resignations of employees, the Company will incur certain severance pay expenses as well as payroll savings.

The Staff reduced the Company's salary level by $4,779,000. This amount reflected four months of decrease in payroll-related expense for 409 employees as of September 1, 1989, and another 12 employees who left between January and June, 1989. The adjustment also reflected the tax consequences arising from all salary reductions. The Staff also adjusted the Company's proforma severance pay expense to allow for four months of severance, based on the ARRA study over a three-year period, with the unamortized portion excluded from rate base, for a total inclusion of $1,178,000.

The AG eliminated 12 months of salary, in the amount of $10,432,000, on the basis that such action would effectuate a known and permanent adjustment. Because the Company would no longer be incurring salary expense associated with terminated employees during the proforma year, the AG provided for no cost to be associated with them. The AG did include 12 months of severance costs, but amortized them over a three-year period, with the unamortized portion excluded from rate base for a total increase of $3,703,000 in severance costs.

VCFUR recommended that, because the payroll savings will be offset by severance costs which were not completely known and certain at the time of the filing, no salary and severance adjustments related to the ARRA study should be reflected at this time. VCFUR stated that the salary reduction and severance items should be included in the Company's next annual informational or rate case filing.

The Examiner agreed with VCFUR that the ARRA severance costs are not yet totally known and certain due to the possibility of employees returning to Virginia Power, thereby forfeiting their severance pay. We agree with the Examiner; we find it appropriate to delay acting upon this adjustment until all variables become known and to address this issue in the Company's next rate case. As the Examiner recommended, all payroll savings recorded after September 1, 1989, should be applied against severance pay in the next rate case.

B. Chisman Creek

The Company increased its expense related to the Chisman Creek remedial clean-up project by $6,525,248. The AG recommended that this amount, because it is nonrecurring, be allocated over a three-year amortization period. The AG contended that because the amount is now known and certain and because the cleanup is now complete, the three-year amortization period is proper.

In Case Nos. PUE870014 and PUE880014, the Commission determined that the Company's Chisman Creek costs should only include those amounts related to dollars actually spent. In accordance with those cases, the Commission finds that in the current case the actual amount of Chisman Creek cleanup expense should be fully included in the Company's cost of service without the necessity for amortization of such costs.

C. Deferred Fuel

The Company originally requested inclusion of $39,998,459 in deferred fuel expense based upon a May 1, 1989, projected fuel balance and its planned request for a new fuel factor. The Company reclassified the deferred fuel balance as a prior period item and added to rate base 50% of the April 30, 1989, projected fuel balance. The Company subsequently decided not to seek a change in its fuel factor, as previously planned.

In rebuttal, the Company proposed using a simple average of the actual December, 1988, and projected December, 1989, balance to determine the level for deferred fuel for a total amount of $71,355,380.

The Staff, on the other hand, reflected the prior period balance at 50% and the current deferral at 100%, both at end of test period, for a total of $46,282,524. The Staff did not update the deferred fuel expense beyond the test year because the Company did not have a fuel factor case pending. The Staff further removed spent fuel from the deferred fuel balance in the amount of $1,262,029. The Company did not object to the latter adjustment.

The Hearing Examiner recommended approval of the Staff's adjustments, and we agree for several reasons. The Rules specifically provide that the Company may adjust fuel expenses and revenues to a rate-year level to coincide with proposed revisions to the fuel factor. Here, the Company is not seeking any revisions to its fuel factor. In addition, the Company's proposed fuel figure is estimated, while the Staff's figure is based upon actual, audited numbers. The Company's deferred fuel balance includes costs that have not yet been approved for recovery and, therefore, should not earn a return. The Hearing Examiner's treatment of deferred fuel is reasonable and is adopted.

D. Capacity Expense

The Staff proposed a capacity expense adjustment of $19,825,000 to reflect a rate-year level, including actual amounts through June, 1989, and projected amounts through April, 1990. The Company's rebuttal sought to decrease that amount by $727,000 to reflect a July, 1989, actual (rather than projected) balance. The Commission finds such a decrease to be appropriate.

E. Cash Working Capital

Traditionally, the Commission has permitted inclusion of cash working capital ("CWC") under the formula method, that is, one-ninth of a utility's operations and maintenance expense and 1/18 of In System fuel expense. In Virginia Power's Rate Case No. PUE870014, the Commission directed Virginia Power to conduct a lead/lag study. Virginia Power filed its lead/lag study on August 15, 1988, which was shortly before the hearing in Case No. PUE880014. The parties therefore were unable to evaluate the study in the context of that case.

In this case, the Staff conducted a comprehensive lead/lag study which considered all items in the Company's cost of service. The Staff also analyzed the Company's lead/lag study. (A lead is generally associated with a source of cash working capital; a lag is generally associated with a delay in or necessity for cash working capital.) The Staff calculated leads and lags for capital structure items - preferred dividends, long-term interest expense and job development credits ("JDC") capital expense. Common equity dividends were excluded from the CWC calculation.

1. Depreciation and Deferred Tax Leads

The Staff and the Company treated depreciation and deferred tax leads in the same manner. Regarding depreciation, both corrected the understatement to rate base which occurs when booked depreciation is used to reduce rate base. Rate base is understated by the amount of accumulated depreciation that has not been collected by the Company through rates or, in this case, 43.53 days of depreciation expense. We find it appropriate to permit an allowance for cash working capital in the amount of $30 million to restate rate base for depreciation and for deferred taxes, $3,253,000, as included in the Staff's lead/lag study.

2. Accounts Payable CWIP

The Staff's treatment for Accounts Payable Construction Work in Progress ("CWIP") is the mirror adjustment to the depreciation CWC allowance. The Staff reduced CWIP to reflect an overstatement to rate base. The Company booked certain amounts for construction even though it had not yet remitted those amounts to its vendors.

The Staff reduced CWIP by the related Accounts Payable in the amount of $47 million. It used an end-of-test-period figure for Accounts Payable CWIP to reflect the amount of CWIP the Company actually expended during the test year. The Company's CWIP balance included in its rate base is an end-of-test-period figure.

While the Company, in its comments to the Examiner's Report, no longer objected in principle to the adjustment regarding Accounts Payable CWIP, it suggested using an average figure rather than an end-of-test-period level. Although the Staff considered using a 13-month average, the Company's books were not maintained so as to permit this analysis. In addition, the Company's proposed average figure of 3% does not include amounts for CWIP that have been completed but not yet reclassified as plant in service. We find the Staff's adjustment known and certain. It is also acceptable because year-end CWIP should be reflected on the same cash basis as net plant.

3. Income Tax Lead

The AG's operations lead/lag study reflected an adjustment to the Company's payment of federal income taxes. The Staff and the Company included 37.5 lead days for federal income tax expense, based upon actual payment. The Staff's CWC for federal income tax expense was $2,107,000. The AG recommended using 59 lead days, based upon the statutory lead time. Under the federal statute, a corporation must pay at least 90% of its actual income tax in equal installments by calendar year end. However, the Company paid 100% during the statutory period in order to avoid the payment of significant penalties which would arise from any underpayment. We find the Company's practice reasonable and as a result, accept its 37.5 day lead figure.

4. Capital Structure Leads

The primary controversy regarding the Staff's lead/lag study arises from its inclusion of leads for capital structure items in its calculation of the Company's CWC allowance.

No dispute exists over the Staff's calculation of the level of lead and lag days reflected in its CWC study. These figures were accepted. The dispute is whether lead days associated with capital structure items should be included in such a study at all.

In its initial filing, the Company did not rely upon a lead/lag study to calculate its CWC, but rather, used the formula method. In its rebuttal testimony, the Company continued to rely upon its formula method to support its request of $126,312,000 in CWC allowance. Nevertheless, the Company's rebuttal discussed its own lead/lag study, which produced a CWC allowance of $144.7 million.

While initially objecting to the Staff's treatment of certain capital structure items in the calculation of CWC, in its comments to the Examiner's Report, the Company took no exception to the Staff's inclusion of lead days associated with long-term interest expense, preferred dividend expense and JDC capital expense. The Company now requests a reduced CWC allowance of approximately $61 million.

We note that the Staff's analysis showed a higher lead day for these expenditures than the lag day, which, when netted, suggests that the Company did not need the level of CWC it requested for these components. The record further reflects that the Company had the use of certain funds for a period of time prior to the time when they were needed to meet its obligations for its long-term interest expense and preferred dividend expense. As to JDC capital expense, this amount was properly removed from CWC, since the Company has no obligation to expend these funds. The Staff provided no allowance for JDC expense so that the sharing mechanism for investment tax credits would not be altered. The AG's treatment of these items has the same impact as that proposed by the Staff.

The Company criticized the Staff's initial treatment of common stock dividends under its prefiled lead/lag study. No party disputed that common equity investors earn the return on common stock when service is rendered. In its initial prefiled testimony, the Staff gave common equity 43.53 lag days and 44.57 lead days. The net result reduced the CWC allowance by $753,000. It is clear from the record that the Staff believed that the Company has access to dividend funds for a period of time prior to the time when dividends are required to be paid. The Staff subsequently removed the "penalty" associated with including common equity in the CWC allowance, that is, the recognition in the CWC calculation of the time the Company retains funds prior to making dividend payments.

The Staff changed the lead days for income available for common equity from 44.57 to 43.53 days in order to recognize that the dividend on common equity was earned as service was rendered, and that the timing of the dividend payment should not reduce the CWC allowance. The Staff's revision removed any effect of the common dividends upon the CWC determination.

A lead/lag study calculates the average amount of cash or CWC required during the year. If the sources of cash are greater than the uses for cash, no additional investments would be required for CWC. Moreover, the Staff assumed, correctly, that idle funds are invested and earn interest. Under sound financial management, there are times when the Company has excess funds that are invested and earn interest, and times when the Company must borrow funds and incur interest costs. The purpose of a CWC allowance is to allow the Company to recover carrying costs associated with funding CWC. The record does not reflect that the Company incurs such carrying costs to pay dividends.

The Company also argued that providing a CWC allowance for common equity is similar to the depreciation CWC allowance. That argument is in error. The Staff testified that the purpose of providing $30 million in CWC for depreciation was to correct an understatement to rate base. If rate base is understated, the return on that investment is understated. Thus, a CWC adjustment is proper because it does not provide a cash allowance for the recovery of depreciation per se. The allowance recognizes that investors deserve a return on unrecovered investment, not on recovered investment.

The Staff suggested that, under the Company's proposal regarding retained earnings, the opportunity exists for the Company to earn a return on a return. If retained earnings are invested in the business, and are already included in rate base, the Company recovers the time value of these dollars. In effect, the Company will earn a double return for 43.53 days under its proposal. This cannot occur under the Staff's proposal.

While both the Company and Staff have provided cases which support their respective positions on this issue, we find that, as a matter of policy and in accordance with sound regulatory treatment, the Staff's approach is preferable for the reasons expressed in this Order. Moreover, while we note that the AG conducted a lead/lag study which reflected many of the adjustments proposed by the Staff, we find the Staff's comprehensive lead/lag study more reflective of the CWC needs of the Company than that offered by the AG.

We note that the Staff's lead/lag study is based upon the updated capital structure and capital adjustments proposed by the Staff. The record is silent as to the effect, if any, of our decision, below, not to adopt the Staff's capital structure recommendations on the Staff's lead/lag study. Should our decision relative to the cost of capital and capital structure require changes to the Staff's study, such changes should be addressed in the Company's next rate case. We, therefore, find a CWC allowance of $2,821,000 to be appropriate.

II. Capital Structure and Cost of Capital

As required by the Rules, the Company proposed a December 31, 1988, test-year capital structure. The Staff updated the Company's capital structure to March 31, 1989; used three-month average (ending June 1989) cost rates for variable rate debt and preferred stock; eliminated the Company's adjustment for temporary cash investments, which affected both the capitalization ratios and the cost of the Inter-Company Credit Agreement; and included in long-term debt both unamortized debt expenses and gains and losses on reacquired debt. The Hearing Examiner rejected the Staff's proposal to update the capital structure. In so doing, he also implicitly rejected the use of a three-month average cost rate and the latter adjustments to long-term debt. He concluded that the Rules require a test-period capital structure. He did recommend acceptance of the Staff's proposal to eliminate the Company's adjustment for temporary cash investments.

In this case, we find that the test-year capital structure and cost of capital provide a reasonable basis for determining the utility's overall rate of return. In fact, the Staff's proposed updated capitalization ratios are not substantially different from the test-year ratios. Further, historically, we have used a 12-month average variable cost rate for Virginia Power.

We will also adopt the Hearing Examiner's recommendation to eliminate the Company's adjustment for temporary cash investments and, for use in future cases, the Staff's adjustment related to the unamortized debt expense and unamortized gains and losses on reacquired debt. The latter adjustment has been accepted in numerous prior decisions. This record, however, is deficient on the magnitude of that adjustment at the end of the test period. Therefore, while this adjustment cannot be effectuated in this case, the Company's next rate case filing should reflect it.

There appears to be uncertainty as to the permissability of updating data in an expedited rate case to capture recent trends. In the last Virginia Power rate case, Case No. PUE880014, we attempted to clarify the scope and applicability of our Rules as they relate to certain issues. We said that "a brief perusal of the Rules will compel the conclusion that their mandates and limitations are directed solely to the utility, not to other parties to the proceeding." 1988 SCC Ann. Rpt. 312, 314. In that Order, we further said that the "dearth of meaningful options is the key reason that the Commission has always been reticent to limit the ability of the Staff and the utility's customers to raise issues of concern to them in expedited proceedings." Id. 314. Despite our attempt to clarify the scope of the Rules, uncertainty among the parties clearly remains. For future expedited cases, consistent with our Rules, we will consider proposals from the Staff and parties, other than the applicant, which address actual post-test-year data for capital structure and cost of debt and preferred stock. These adjustments will be considered when they reflect known and measurable changes that more accurately portray a company's financial status. Quite often, due to the complexity of the cases and volume of our workload, there is a period of several months between the end of the test year and the final resolution of a case. The capability to examine financial trends past the end of a test year should translate into rates more reflective of current conditions, especially for those companies that use variable rate debt.

III. Incentive Mechanism for Generating Unit Performance

The Company, VCFUR and the Staff utilized, for the purposes of this proceeding, the return on equity which the Commission approved in Case No. PUE870014. The AG and Fairfax County both urged a reduction in the Company's return, based upon the performance of the Company's nuclear units in 1989; they proposed equity returns of 12.75% and 13%, respectively.

There appears to be little dispute over the generating unit performance figures introduced in the record. The dispute is whether the review of generating unit performance should extend beyond the test year, and if so, whether this record supports an attendant reduction in the authorized return on equity.

Generating unit performance levels will generally fluctuate on an annual basis as a result of nuclear refueling cycles, seasonal maintenance programs, load profiles and variable forced outage rates. Consequently, when evaluating performance, annual capacity factors/equivalent availabilities over a sustained period of time must be considered, as well as test year results.

This Commission implemented the generating unit incentive program for Virginia Power in Case No. PUE810025 when we set the return on equity at the bottom of the established range to reflect sustained poor generating unit performance. In the Company's 1984 rate case (PUE840071), the return was re-established at the range midpoint as a result of steadily improved performance levels. The Company had finally achieved a weighted average nuclear capacity factor of 64.5% for calendar year 1983. Moreover, the Company had also demonstrated improved equivalent availabilities for its fossil units. In the Company's 1987 rate case (PUE870014), the return on equity was set 25 basis points above the range midpoint to reflect a continued improvement in performance levels. For example, the Company achieved weighted average nuclear capacity factors of 76.3% and 72.7% for calendar years 1985 and 1986, respectively. In each of the above cases, our review considered calendar year data over an extended period of time. However, this review did not consider data beyond the end of the test periods.

This Commission has reviewed, and will continue to review, calendar year data on an historical basis. To be truly meaningful, our incentive programs must reflect both long and short-term performance levels. While we do not limit our ability to look beyond the test period in extraordinary circumstances, our general policy is to review historical calendar year data only through the end of the test year when applying our incentive program. Consequently, we reject the Hearing Examiner's recommendation that the return on equity be reduced to reflect 1989 results.

We are concerned, however, about the poor capacity factors recently experienced by the Company's Surry units. The impact of such performance on fuel expenses and on rates ultimately paid by customers is obvious. Therefore, in the Company's next rate proceeding, whether it be general or expedited, we will give due consideration to the 1989 capacity factors for all generating units when evaluating performance and establishing a specific return on common equity.

IV. Cost Allocation and Rate Design

The Staff did not object to the Company's revenue allocation and rate design methodologies because they were consistent with accepted treatments in past Virginia Power expedited rate cases. However, due to the revenue requirement determined in this case, the parameters adopted in those cases cannot be totally followed here. While we generally desire to maintain these standards, for the purposes of this case, we find that the residential class should not be allocated more than 1.5 times the overall jurisdictional percentage increase. The remainder of the increase should be distributed to the other rate classes in proportion to the Company's proposed increases for those classes.

A. Customer Growth Adjustment

The Staff objected to the calculation of the Company's growth adjustment. That adjustment is based upon rate classes and is designed to recognize the existence of both commercial and industrial customers on Rate Schedules 5 and 6. The Company's average basic rate per Kilowatt-hour for each rate class is derived from the revenue received from customer charges, demand charges and energy charges. These rate classes are: residential, commercial small general service, industrial small general service, commercial large general service, industrial large general service, churches and outdoor lighting.

The Staff proposed that the Company's methodology be applied to each Commission approved rate schedule, rather than to Company determined rate classes. Although this method neither fully accounts for the interaction between demand and energy usage nor recognizes the usage patterns of different residential customers, the Staff argued that it is not as arbitrary as the Company's proposal. Alternatively, the Staff proposed a block billing approach which identified the billing determinants of each rate schedule and then applied them to the corresponding customer, demand and energy charges to arrive at the revenues produced by each rate schedule.

We note that the Company does not object to using the block-billing approach proposed by the Staff, coupled with the use of the Company's rate classes, to determine the growth adjustment. We find that this approach is appropriate in this case for determining the Company's customer growth adjustment since it provides as much detail as possible when calculating the Company's growth in revenues.

Both the Company and the Staff agree that existing Schedules 5 and 6 do not adequately reflect similar customer groupings. In this case, the Company's approach more accurately captures the usage characteristics of its customers. However, we are concerned that the Company's existing rate design does not appropriately group its similarly situated customers. In fact, the Company admitted that a regrouping of Rate Schedules 5 and 6 is necessary. The Company should present the proposed regrouping of these customers in its next rate filing.

Further, when Schedules 5 and 6 are properly regrouped in the next case, the Company should use the Staff's block-billing method for calculating the growth adjustment. When the rate schedules are properly designed, they will provide reasonable customer groupings for calculating the growth adjustment in a fair and nonarbitrary manner.

B. Facilities and Miscellaneous Charges

While accepting the Staff's adjustment to facilities charges, the Company generally opposed the adjustment related to miscellaneous charges. Specifically, the Company accepted the Staff's adjustment regarding bad-check charges, but objected to the adjustments to connect, reconnect and temporary service charges. These charges vary with the number of customers served in the test year. A small portion of these revenues are due to onetime charges, while the remaining portion recur and vary as a function of customer levels. We find appropriate and adopt the Staff's proposed adjustment to the Company's miscellaneous charges for connect, reconnect and temporary service, as well as the adjustment to facilities charges.

C. Revenue Requirement

	(000's)
Adjusted Net Operating Income, Hearing Examiner's Report	$ 588,852
1) add Staff's modified block-billing	314
2) add Staff's miscellaneous service revenues	151
3) include effect on late payment revenue	2
4) include related gross receipts tax expense	<12>
5) remove excess over actual July capacity expense	727
6) include related West Virginia income tax effect	<2>
7) include related federal income tax effect	<401>
Adjusted Net Operating Income, ("ANOI") Final Order	$ 589,631
Rate Base Hearing Examiners Report	$6,071,783
effect of accounting changes on CWC	<29>
Rate Base, Final Order	$6,071,754

Revenue Requirement
(000's)

Rate Base	$6,071,754
ROR (13.25% ROE)	.10393
Required ANOI	$ 631,037
Final Order ANOI	589,631
Net Required	$ 41,406
Conversion Factor	.641158
Gross Revenue Increase	$ 64,580
less late payment revenue	202
Revenue Increase	$ 64,378

D. Refund

Pursuant to our Order dated April 28, 1989, the Commission granted the Company's request to place its proposed increase in effect on an interim basis subject to refund with interest. Upon investigation, we find justified a level of revenues lower than that placed in effect pursuant to that order. Therefore, appropriate refunds are due customers for all amounts collected in excess of the rates approved herein.

NOW, THEREFORE, IT IS ORDERED:

(1) That the Company's rate base, return on equity, revenues and expenses as adopted in this Order are just and reasonable;

(2) That the Company's additional revenue requirement as approved in this Order is $64,378,000;

(3) That the residential class should not be allocated more than 1.5 times the jurisdictional percentage increase. The remainder of the increase should be distributed to the other rate classes in proportion to the Company's proposed increases for those classes;

(4) That the rate design in this case should follow that proposed by the Company;

(5) That the Company shall file with the Commission's Staff its tariff sheets reflecting the revenue increase approved in this case;

(6) That, on or before April 1, 1990, Virginia Power shall refund, with interest as directed below, all revenues collected from the application of the interim rates which were effective for service beginning May 1, 1989, 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;

(7) 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-hundreth 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;

(8) That the interest required to be paid shall be compounded quarterly;

(9) 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 Power may offset the credit or refund to the extent no dispute exists regarding the outstanding balances of its current customers, or customers who are no longer on its system. To the extent that outstanding balances of such customers are disputed, no offset shall be permitted for the disputed portion. Virginia Power may retain refunds owed to former customers when such refund amount is less than $1; however, Virginia Power 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 Virginia Power and request refunds, such refunds shall be made promptly. All unclaimed refunds shall be handled in accordance with Virginia Code § 55-210.6:2;

(10) That on or before May 1, 1990, Virginia Power shall file with the Staff a document showing that all refunds have been lawfully made pursuant to this Order and itemizing the cost of the refund and accounts charged. Such itemization of costs shall include, inter alia, computer costs, and the personnel-hours, associated salaries and cost for verifying and correcting the refund methodology and developing the computer program;

(11) That Virginia Power shall bear all costs of the refunding directed in this Order; and

(12) 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]Although the Company originally objected to this adjustment, in its comments to the Hearing Examiner's report, the Company did not except to its exclusion in his calculation of the revenue requirement.

CASE NO. PUE890047
APRIL 17, 1990

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY
and
COMMONWEALTH GAS SERVICES, INC.

To amend certificates of public convenience and necessity

FINAL ORDER

On May 15, 1989, Washington Gas Light Company ("WGL") filed an application with the State Corporation Commission under Va. Code § 56-265.3 to amend its certificate of public convenience and necessity. In its application, WGL requested that the Commission authorize it to provide natural gas service within a 200-foot pipeline corridor located in Loudoun County, Virginia.

On January 4, 1990, WGL filed a motion to amend its application. On the same day, Commonwealth Gas Services, Inc. ("Services") filed an application requesting that the Commission amend its certificate of public convenience and necessity G-49a, which allotted to Virginia Gas Distribution Company, Services' predecessor, a portion of Loudoun County, Virginia for the development of gas service so that Services could continue to provide natural gas service to customers within the transmission corridor. Both WGL and Services recited that WGL sought authority to serve an area within a 200-foot corridor of a natural gas interstate transmission pipeline running east to west through Loudoun County in an area excluded from WGL's certificate of public convenience and necessity No. G-50b. Services and WGL further noted that the Commission's Staff convened a meeting on June 6, 1989, attended by representatives of both WGL and Services, where it was discovered that Services provides natural gas service to various customers within the pipeline corridor in Loudoun County as a result of right-of-way obligations incurred by Services' predecessors.

Neither Services nor WGL oppose the other's application, provided that Services is permitted to amend its certificate to add the customers located in the corridor it now serves and so long as WGL is permitted to exclude from its certificate application the customers who are now served by Services located within the transmission corridor.

On January 18, 1990, the Commission entered an order which consolidated the applications and directed the companies to give notice to the public of the consolidated application. This Order invited interested persons to file written comments or requests for hearing on the consolidated application on or before March 16, 1990.

On February 16, 1990, the Commission entered an Order granting Services' motion to add a customer to the list of those it had identified as serving within the 200-foot pipeline corridor in Loudoun County.

No comments or requests for hearing on the consolidated application were filed.

NOW THE COMMISSION, upon consideration of the consolidated application, is of the opinion and finds that the consolidated application, as amended, is in the public interest and should be approved; that Services should be authorized to serve the customers or their successors at the addresses shown on Appendix A, so long as the character of natural gas usage now in effect at each address does not change; that Services' Certificate No. G-49a should be canceled and reissued as amended Certificate No. G-49b; that WGL should be authorized to provide service within the 200-foot corridor of a natural gas transmission pipeline running east to west through Loudoun County, excluding the customers or their successors at the addresses shown on Appendix A, so long as the characteristics of natural gas usage at each address do not change; that WGL's Certificate No. G-50b should be canceled and reissued as amended Certificate No. G-50c to permit WGL to provide the natural gas service described herein within the 200-foot corridor along the natural gas transmission pipeline, running east to west through Loudoun County, Virginia, said certificate to exclude the customers or their successors at the addresses identified on Appendix A, so long as the characteristics of natural gas usage at each address do not change; that copies of this Order should be placed in certificate file nos. 10165 and 10314 which are lodged in the Commission's Division of Energy Regulation; and that upon the filing of the appropriate maps by WGL, this matter should be dismissed.

Accordingly, IT IS ORDERED:

(1) That the consolidated application of WGL and Services is approved;

(2) That Certificate No. G-49a authorizing Services to provide natural gas service in Loudoun County shall be canceled and shall be amended and reissued as Certificate No. G-49b, authorizing Services to also provide natural gas service to the customers identified on Appendix A hereto;

(3) That, upon the filing by WGL of the maps required below, Certificate No. G-50b, authorizing WGL to serve Loudoun County, shall be canceled and reissued as amended Certificate No. G-50c, which certificate shall exclude the customers or their successors at the addresses identified on Appendix A hereto, so long as the character of natural gas usage at each address does not change from that in effect at the time of the issuance of this Order;

(4) That, on or before April 27, 1990, WGL shall file appropriate maps with the Division of Energy Regulation, delineating its distribution service territory within Loudoun County;

(5) That copies of this Order shall be placed in certificate file nos. 10314 and 10165, which are lodged in the Commission's Division of Energy Regulation; and

(6) That there being nothing further to be done herein, this matter is hereby dismissed.

NOTE: A copy of the customer list known as Appenndix A is on file and may be examined at the State Corporation Commission, Document Control Center, Floor B-1, Jefferson Building, Bank and Governor Streets, Richmond, Virginia.

CASE NO. PUE890051
JANUARY 22, 1990

APPLICATION OF
OLD DOMINION ELECTRIC COOPERATIVE
and
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of new generation facilities pursuant to Virginia Code § 56-234.3 and for a certificate of public convenience and necessity pursuant to Virginia Code § 56-265.2

ORDER GRANTING AN AMENDED CERTIFICATE

The Commission, by Final Order of December 28, 1989, in the above-referenced case, approved the construction and related expenditures under Section 56-234.3 of the Code of Virginia for two 393 MW pulverized coal-fired generating units to be jointly constructed and operated near Clover, Virginia in Halifax County, by the applicants, each applicant having a 50% undivided interest in these units.

In addition, the Commission ordered that an amended certificate of public convenience and necessity be issued to the applicants under Section 56-265.2 of the Code of Virginia.

The appropriate map has been filed, accordingly,

IT IS ORDERED:

(1) That an amended certificate of public convenience and necessity be issued to the Old Dominion Electric Cooperative and the Virginia Electric and Power Company as follows:

> Certificate No. ET-84i, for Halifax County, authorizing Old Dominion Electric Cooperative and Virginia Electric and Power Company to construct and operate two 393 MW pulverized coal-fired generating units, and authorizing the Virginia Electric and Power Company to operate previously certificated transmission lines and facilities, all as shown on the map attached thereto; Certificate No. ET-84i will supersede No. ET-84h issued September 10, 1985.

(2) That this matter is dismissed from the docket of active proceedings and that the papers herein be placed in the file for ended cases.

CASE NO. PUE890053
MARCH 29, 1990

APPLICATION OF
UNITED CITIES GAS COMPANY

To revise its tariffs

FINAL ORDER

On June 22, 1989, United Cities Gas Company ("United" or "the Company") filed an application with the State Corporation Commission to increase its rates for gas service and to revise its tariffs. The Company's proposed tariff revisions were designed to recover additional gross annual revenues of $1,175,806. Among other things, the Company proposed to revise its purchased gas adjustment ("PGA") clause to comply with the Commission's Order entered in Case No. PUE880031 which established the Commission's policy governing gas purchasing practices and gas cost recovery mechanisms. The Company also proposed to revise its Negotiated Gas Service Rate Schedule. Under the revised Schedule, when it became necessary for the Company to flex its rates downward to compete with alternate fuels, any margin loss would be included in the Annual Actual Cost Adjustment ("ACA") portion of its PGA. In addition, United proposed to increase its bad check charge to $15.00 and to increase its reconnection charge to $30.00. The Company filed financial and operational data for the twelve months ending December 31, 1988, in support of its application.

By its order of July 13, 1989, the Commission suspended the Company's tariff revisions through November 19, 1989, established a procedural schedule, and set the matter for hearing before a Hearing Examiner. The hearing was held on November 16, 1989. Counsel appearing were: Richard D. Gary, Esquire, and Mark Thessin, Esquire, for United; and Robert M. Gillespie, Esquire, and Sherry H. Bridewell, Esquire, for the Commission's Staff. No protestants or intervenors participated in the proceeding.

During the hearing, the Company's prefiled direct and rebuttal testimony and exhibits and all of Staff's prefiled direct and surrebuttal testimony, with the exception of that of Staff witness Maddox, were received into the record without cross-examination. Counsel for the Company introduced a Stipulation Agreement during the hearing which purported to resolve all but two of the issues between the Company and Staff. The issues remaining in controversy related to an accounting adjustment and an appropriate return on equity.

Specifically, the first issue related to Staff's proposal to increase the Company's rate base by a 13-month average balance of unrecovered gas costs as of December 31, 1988, the test year used in this proceeding. In contrast to Staff, the Company proposed to increase its rate base by a 13-month average deferred gas balance as of September 30, 1989.

The second issue remaining between the Company and Staff related to the appropriate range and return on equity to be authorized for United. Staff supported a return on equity within the range of 12.25% to 13.25% and recommended that 12.75%, the midpoint of the range, be used to establish the Company's rates. Staff supported the use of the midpoint of its range. It observed that the midpoint of a return on equity range was generally used for natural gas utilities and noted that, unlike electric companies, gas companies are not governed by prior Commission decisions which link performance to the return on equity issue. The Company, however, supported a return on common equity of 13% on the grounds that the Company's good service record merited a higher return. The Company agreed to the use of all other components of Staff's recommended capital structure and to Staff's proposed overall cost of capital.

Finally, as part of the Stipulation, United agreed to accept all of Staff's other accounting adjustments. United also accepted Staff's cost of service, revenue apportionment, and rate design recommendations. At the conclusion of the hearing, counsel for United and counsel for Staff offered oral argument on the accounting and cost of equity issues remaining between the Company and Staff.

On December 1, 1989, United, by counsel, notified the Commission of its intent to place rates designed to produce additional gross annual revenues of $510,413 in effect on December 1, 1989. Pursuant to a Hearing Examiner's Ruling entered December 5, 1989, United filed an appropriate bond with the Commission to ensure the prompt refund with interest of any revenues collected in excess of those finally found reasonable by the Commission.

On February 21, 1990, the Hearing Examiner filed his report in the captioned matter. He accepted Staff's recommendation to calculate the deferred gas balance underrecovery to be added to rate base using a 13-month average as of the end of the test period and accepted Staff's return on equity range. However, he rejected Staff's 25 basis point flotation adjustment. In essence, the Examiner determined that Staff's baseline cost of equity recommendation without a flotation adjustment was too low.

The Hearing Examiner further found:

(1) The use of a test year ending December 31, 1988 is proper in this proceeding;

(2) Staff's accounting adjustments are reasonable and should be accepted;

(3) United Cities' test year operating revenues, after all adjustments, were $24,906,739;

(4) United Cities' test year operating revenue deductions, after all adjustments, were $23,541,952;

(5) United Cities' test year net operating income and adjusted net operating income, after all adjustments, were $1,364,787 and $1,314,443, respectively;

(6) United Cities' current rates, after all adjustments, produced a return on year end rate base of 9.51% and a return on equity of 8.75% during the test year;

(7) United Cities' unrecovered gas costs should be calculated by use of a 13-month average ending December 31, 1988;

(8) United Cities' required return on equity is within the range of 12.25% to 13.25%;

(9) A reasonable rate of return on equity for fixing rates in this case is 12.75%;

(10) Based on United Cities' capital structure as of June 30, 1989, their overall cost of capital is 11.442%;

(11) United Cities' test year rate base, after all adjustments, was $13,822,200;

(12) United Cities requires an additional $416,747 in additional gross annual revenues in order to have an opportunity to earn an 11.44% return on rate base;

(13) The stipulated accounting and financial adjustments, capital structure, revenue apportionment and rate design set forth in the stipulation are just and reasonable and should be adopted;

(14) United's proposed rates placed into effect on December 1, 1989, produce annual revenues greater than that found reasonable in this Report. United should refund, with interest, pursuant to the Ruling dated December 5, 1989 in this case, all amounts collected under the interim rates that exceed the amount found just and reasonable herein; and

(15) United Cities should provide a list of customers expected to shift between Rate Schedules 630 and 620 when the Company files its final rates in this proceeding.

The Hearing Examiner recommended that the Commission enter an order that adopted his findings, granted United Cities an increase in gross annual revenues of $416,747, and directed the prompt refund with interest of the excess revenues collected under the interim rates in effect since December 1, 1989.

On March 6, 1990, the Company, by counsel, filed its Exceptions to the Hearing Examiner's Report. In its Exceptions, the Company argued that its rate base should include the 13-month average, net of tax, of unrecovered gas costs as of September 1989, on the grounds that the Company had expended these funds and should be allowed a return on its investment. The Company also reiterated its position that it was entitled to a return on common equity of 13% based upon its excellent service record. Company again took the position that it was entitled to an increase in gross annual revenues of $510,413, rather than the $416,747 annual increase found appropriate by the Hearing Examiner.

Upon consideration of the record herein, the Hearing Examiner's Report, and the Exceptions thereto, the Commission finds that United Cities should be permitted to increase its gross annual revenues by $443,706. Like the Hearing Examiner, we find that Staff's accounting adjustments should be accepted, including its recommended adjustment to calculate rate base using a 13 month average unrecovered deferred gas balance as of the end of the test period, December 31, 1988. We disagree with the Examiner, however, with respect to the appropriate return on equity for this Company.

The record indicates that Staff proposed to increase rate base by a 13-month average balance of the deferred gas underrecovery as of the end of the test period. We note that a 13-month average is appropriate because of the volatility of natural gas costs. Neither Staff nor the Company dispute the propriety of using a 13-month average.

Further, and as we have noted in other utility cases, we generally do not proform a single element of rate base except under the most extraordinary of circumstances. The reason for this is simple. Revenues are stated at an end of test period level, and the elements of rate base, including those acting to reduce rate base such as deferred taxes, depreciation, or customer deposits, are also not proformed. By stating rate base as of the end of the test period, a better match between the stream of revenues and the investment producing those revenues occurs.

Moreover, Rule I(8) of the Commission's Rules Governing Utility Rate Increase Applications and Annual Informational Filings, adopted in Case No. PUE850022, permits a rate applicant to select its test period and requires an applicant to reflect its costs of service at end of test period levels. The record in this case does not provide a sufficient basis to deviate from our rules.

The Examiner found a reasonable range for United's return on equity to be 12.25% to 13.25%. We believe that the Company's financial health and ability to attract capital would be better served by a range of 12.5% to 13.5%, an increase of 25 basis points. As is typical for Virginia's gas companies, the midpoint of that range, 13%, should be used for making rates. When that range and midpoint are used in the stipulated capital structure, an overall cost of capital range of 11.316% to 11.82% is derived, and a midpoint for ratemaking of 11.567% is established.

We further adopt the Examiner's findings and recommendations located at pages 7-8 of his Report, except for Findings Nos. 8, 9, 10 and 12. Those Findings must be altered to reflect the Commission's adoption of a 12.5% to 13.5% return on equity range. In their place, the Commission finds as follows:

(8) United Cities' required return on equity is within the range of 12.5% to 13.5%;

(9) A reasonable rate of return on equity for fixing rates in this case is 13.0%;

(10) Based on United Cities' capital structure as of June 30, 1989, its overall cost of capital is 11.567%;

(12) United Cities requires an additional $443,706 in additional gross annual revenues in order to have an opportunity to earn an 11.567% return on rate base;

We also adopt the Stipulation Agreement, as modified by our findings herein and attached hereto as Appendix A, and incorporate it into this Final Order.

Accordingly,

IT IS ORDERED:

(1) That the February 21, 1990 Hearing Examiner's Report, with Findings Nos. 8, 9, 10 and 12 modified as set out above, is adopted herein;

(2) That the November 16, 1989 Stipulation Agreement, as modified by our findings with respect to the overall cost of capital, is hereby incorporated as Appendix A hereto;

(3) That, on or before June 29, 1990, United shall refund, with the interest specified in the December 5, 1989 Hearing Examiner's Ruling, all revenues collected from the application of the rates which were made effective on December 1, 1989, subject to refund, to the extent that they exceed the revenues which would have been collected by the application of rates approved herein during the interim period beginning December 1, 1989. In calculating the amount of the refund necessary, the Company shall utilize the rate design method, proposals, and revenue allocations proposed by Staff witness Gahn and adopted herein. The refund directed herein shall be applied to United's rate classes in proportion to each class' rate of return, and shall be limited so that no class of customers receives a decrease in the revenues that the class was contributing before the Company filed the instant case;

(4) That the Company's proposal to increase its bad check charge from $6.00 to $15.00 is denied;

(5) That, in accordance with Staff witness Gahn's proposals, the Company shall institute a customer charge of $150.00 for Rate Schedule 630;

(6) That the Company's proposal to institute a margin tracker for Rate Schedule 691, its Negotiated Rate Schedule, is hereby rejected;

(7) That, on or before April 13, 1990, the Company shall file revised tariffs designed to collect additional gross annual revenues of $443,706. The revised tariffs shall conform in all respects to the findings in this Order and shall be applied to service rendered on and after April 13, 1990;

(8) That the Company shall provide a list of customers expected to shift between Rate Schedules 630 and 620 when the Company files its revised rates in this proceeding;

(9) That the refunds ordered in Paragraph (3) above may be accomplished by credit to the appropriate customer's account (shown separately on each customer's bill) for current customers. Refunds to former customers shall be made by check to the last known address of such customers when the refund amount owed is $1.00 or more. The Company may retain refunds owed to former customers when such refund amounts are less than $1.00; however, United shall prepare and maintain a list detailing each of the former accounts for which refunds are less than $1.00, and in the event such former customers contact United and request their refunds, they shall be made promptly;

(10) That, on or before July 20, 1990, United shall file with the Commission Staff a document showing that all refunds have been lawfully made pursuant to this Order and itemizing the costs of the refund. Such itemization of costs shall include, inter alia, computer costs, the manhours, associated salaries, and costs for verifying and correcting the refund methodology and for developing the computer programs;

(11) That United shall bear all costs of such refunding; and

(12) That there being nothing further to be done herein, this matter shall be removed from the Commission's docket of active proceedings and placed in the file for ended causes.

NOTE: A copy of the stipulation referred to as Appendix A herein is on file and may be examined at the State Corporation Commission, Document Control Center, Floor B-1, Jefferson Building, Bank and Governor Streets, Richmond, Virginia.

CASE NO. PUE890055
SEPTEMBER 19, 1990

APPLICATION OF
ROANOKE GAS COMPANY

To revise its tariffs in an expedited proceeding

FINAL ORDER

On July 21, 1989, Roanoke filed an application with the State Corporation Commission ("Commission") for an expedited rate increase. In its application, the Company requested that the Commission allow it to recover either revenues of $1,255,491, based upon a 14.25% return on equity, or $1,090,283, based upon a 13.25% return on equity. The Company stated that it reserved the right to supplement its cost of capital witness' prefiled testimony in the event the Commission Staff or other parties in interest introduced evidence in support of a rate of return on equity lower than 13.25%. Roanoke filed financial and operational data for the twelve months ending April 30, 1989, as its test period data supporting its application.

On August 18, 1989, the Commission entered its Interim Order in the captioned matter. This Order determined that Roanoke's case could proceed as an expedited case and that there was a reasonable probability that an aggregate increase of $1,090,283 would be justified upon full investigation and hearing. The Order authorized Roanoke to place rates designed to produce $1,090,283 in additional gross annual revenue in effect on an interim basis, subject to refund with interest, for service rendered on and after August 21, 1989. The Interim Order appointed a hearing examiner to hear the matter, scheduled a public hearing for January 9, 1990, and established a procedural schedule for the Company, protestants, intervenors and the Staff.

Moreover, the Commission reminded the Company in this Order that a utility must prefile all testimony and exhibits it deems necessary to support its application as part of its application. It gave Roanoke additional time to prefile any other direct testimony it deemed necessary to support its case. The Commission cautioned the Company that it could not wait until all other participants to the proceeding had filed their respective testimonies, and then, supplement its direct testimony. The Commission noted that after all participants have prefiled direct testimony, Roanoke could then prefile rebuttal testimony responsive to the issues raised by the participants in the proceeding.

On the appointed day, the matter came to be heard by Howard P. Anderson, Jr., Hearing Examiner. No intervenors or protestants appeared at the hearing. Counsel appearing were Wilbur L. Hazlegrove, Esquire, counsel for Roanoke, and Robert M. Gillespie, Esquire, and Sherry H. Bridewell, Esquire, counsel for the Commission.

During the hearing, Roanoke did not take issue with Staff's capital structure, cost of capital, cost of equity, revenue allocation, rate design, or revenue apportionment recommendations. However, it did object to certain accounting adjustments proposed by Staff. Company witnesses J. David Anderson and E. C. Dunbar and Staff witness Adams took the stand to address the accounting issues in controversy.

At the request of the Hearing Examiner, Staff witnesses Maddox and Libassi also took the stand to address Staff's recommended use of a hypothetical capital structure and the effect that the use of a hypothetical capital structure would have on the appropriate cost of equity estimate for Roanoke. In addition, Staff witness Libassi responded to questions from the bench concerning Staff's recommendation to include a flotation adjustment of 18 basis points in the estimate of Roanoke's cost of equity. The Hearing Examiner reserved a late-filed exhibit designated FMM-3, and directed Staff witnesses Libassi and Maddox to prepare a cost of capital and cost of equity analysis which indicated the appropriate cost of capital, cost of equity, and revenue requirement, based upon Roanoke's actual capital structure, without duplication of short-term and long-term debt.

The prefiled direct testimony of Roanoke witnesses Charles F. Phillips and Roger Baumgardner, and the prefiled direct testimony of Staff witness Robert S. Gahn were received into the record without cross-examination. At the conclusion of the proceeding, the Examiner invited the participants to file simultaneous post-hearing briefs, due two weeks from the filing of the transcript. Staff and the Company submitted post-hearing briefs.

On June 13, 1990, after considering the record and post-hearing briefs, the Hearing Examiner issued his report in the captioned matter. In his report, among other things, the Examiner accepted the Staff's customer growth adjustment and Staff's reduction of Roanoke's rate base by the deferred gas balance, based upon a thirteen-month test period average, eliminating 50% of the prior years' deferred gas balances, net of federal income taxes. The Examiner also accepted Staff's recommendations with respect to capitalization of and, where appropriate, allocation of pensions and fringe benefits.

With respect to Roanoke's capital structure and return on equity, the Examiner found that an actual test year capital structure was appropriate, and that an appropriate estimate of the return on equity for Roanoke was within the range of 12.5% to 13.5%. He found it appropriate to use the midpoint of this range, i.e. 13%, to establish the Company's rates.

The Examiner further determined that it was inappropriate to accept a flotation adjustment in this case. He noted that Roanoke had not had a stock issuance in over thirty years and questioned the need to fund issuance expenses that were incurred over thirty years ago. The Examiner also accepted Staff's revenue allocation, rate design, and revenue apportionment recommendations.

Finally, the Examiner made the following findings of fact and conclusions of law:

1) The use of a test year ending April 30, 1989, is proper in this proceeding;

2) Roanoke's test year operating revenues, after all adjustments, were $38,275,617;

3) Roanoke's test year operating revenue deductions, after all adjustments, were $35,958,359;

4) Roanoke's test year net operating income and adjusted net operating income, after all adjustments, were $2,317,258 and $2,263,117, respectively;

5) Roanoke's current rates, after all adjustments, produced a return on year-end rate base of 10.19% and a return on equity of 9.46% during the test year;

6) Roanoke's actual test year capital structure should be utilized for ratemaking purposes;

7) Roanoke's required return on equity is within the range of 12.50% to 13.50% and its overall cost of capital is 11.435% to 11.859%;

8) A reasonable return on equity for setting rates in this case is 13%;

9) Based on Roanoke's actual capital structure as of April 30, 1989, the overall cost of capital is 11.647%;

10) Roanoke's test year rate base, after all adjustments, was $22,214,483;

11) Roanoke requires an additional $506,692 in gross annual revenues in order to have an opportunity to earn an 11.647% return on rate base;

12) Staff's proposed rate design and revenue allocation is appropriate and should be adopted;

13) Roanoke's proposed rates placed into effect on August 21, 1989, produce annual revenues greater than found reasonable in this Report. In establishing final rates the amount to be refunded should be allocated to the various rate classes in proportion to their rate of return on rate base, provided no class receives a revenue decrease. Roanoke should refund, with interest, pursuant to the interim order dated August 18, 1989, all amounts collected under the interim rates that exceed the amount of revenues found just and reasonable therein. The interest upon any refund ordered by the Commission shall be computed from the date payment is due until the date refunds are made at an average prime rate for each calendar quarter. The applicable average prime rate for each calendar quarter shall be the arithmetic mean, to the nearest one hundredth of one percent of the prime rate values published in the Federal Reserve Bulletin, or in the Federal Reserve's "Selected Interest Rates" (Statistical Release G.13), for the three months of the preceding calendar quarter. The interest required shall be compounded quarterly. Roanoke shall bear all costs of such refunding;

14) Roanoke should correct its books and records of account retroactively to the fiscal year commencing October 1, 1989, to properly account for the capitalization of direct and overhead construction costs as stated in the Uniform System of Accounts and FERC Accounting and Reporting Requirements;

15) Roanoke should provide a recalculation of current Federal Income tax, deferred federal income tax, and interest expense deduction adjustments when filing its next rate application;

16) Roanoke should write-off excess unbilled accumulated deferred federal income tax ("ADFIT") and the excess of $5,107 be credited to income currently in order for the balance to be zero once the ADFIT credit balance reverses at a 34% rate;

17) Roanoke should submit a lead/lag study with the Commission's Accounting and Finance Division no later than 60 days prior to its next rate application using a current 12 month test period.

18) Roanoke should transfer the nonamortizable Investment-Acquisition costs relating to the 1987 acquisition of Bluefield Gas Company from its books and records to those of Bluefield.

The Hearing Examiner recommended that the Commission enter an order that: adopted his Report's findings; granted Roanoke an increase in gross annual revenues of $506,692; directed a prompt refund, with interest, of the excess revenues collected under the interim rates in effect since August 21, 1989; and dismissed the case from the Commission's docket of active proceedings. The Examiner invited Roanoke to file comments in response to his report within fifteen days from the date of the Report's issuance.

On June 28, 1990, Roanoke, by counsel, filed its Exceptions to the June 13 Hearing Examiner's Report. In its Exceptions, Roanoke took issue with the Hearing Examiner's recommendations that the Commission approve Staff's customer growth and deferred gas cost rate base adjustments. With respect to its objection to adoption of the customer growth adjustment, among other things, Roanoke argued that imputing net unearned operating income of $31,415 to the test year was no different than reducing Roanoke's end of period rate base by $269,726 to eliminate that portion of the incremental rate base not constructed or utilized during the test period. Roanoke also appeared to argue in its Exceptions that if such an adjustment was accepted, it was appropriate to proform the nonrevenue producing piece of Roanoke's rate base to ameliorate, what Roanoke believed, was the erosion of its returns.

With respect to Staff's deferred gas cost adjustment, Roanoke argued that adoption of a deferred gas cost adjustment would unreasonably understate its rate base, and that such an adjustment should be made only on clear proof that the ratemaking adjustments previously approved by the Commission and required to be followed by the Company in an expedited rate proceeding no longer provided a reasonable approach to measuring Roanoke's revenue requirement. Roanoke's analysis of the deferred gas adjustment, among other things, focused upon the operation of its actual cost adjustment ("ACA") portion of its purchased gas adjustment ("PGA") clause. Roanoke took issue with the Examiner's factual conclusion that it had the use of ACA overcollections at the end of the test period.

With respect to the capitalization of pension and fringe benefits, Roanoke asserted that it was incorrect to eliminate $108,142 from operating expense without a corresponding increase to rate base. Roanoke maintained that if these expenses were capitalized, it would be entitled to an increase in additional gross revenue requirement of $23,861.

NOW THE COMMISSION, upon consideration of the record, the Hearing Examiner's Report, the Exceptions thereto, and the applicable statutes, is of the opinion and finds that the findings and recommendations of the June 13, 1990 Hearing Examiner's Report are reasonable, are supported by the record and should be adopted. We agree with the Hearing Examiner that it is appropriate to use an actual capital structure for the purpose of establishing rates in this proceeding. Thus, we find that Roanoke's overall cost of capital is within the range of 11.435%-11.859%, and its cost of equity estimate is within the range of 12.50-13.50%. We agree with the Hearing Examiner that it is appropriate to use the midpoint of each of these ranges for the purpose of establishing Roanoke's rates. While we accept an actual capital structure in this case, we are mindful that a dramatic shift in the Company's capitalization ratios would affect the appropriateness of the return on equity estimate that we have accepted in this case. Therefore, we direct our Staff to continue to evaluate the appropriateness of the cost of equity range authorized herein vis-a-vis Roanoke's capitalization ratios. Further, we agree that, consistent with the Staff's testimony herein, it is appropriate for the Company to implement revised purchased gas adjustment tariff revisions as required by our December 29, 1988 Order Adopting Policy Governing Gas Purchasing Practices and Gas Cost Recovery Mechanism, entered in Case No. PUE880031.

We turn now to the accounting adjustments addressed in the Company's Exceptions to the Hearing Examiner's Report.

Customer Growth Adjustment

Page 2 of Roanoke's application indicates that the Company's last rate case was concluded by a Final Order entered on February 10, 1986, in Case No. PUE850049, over four years ago. In this case, Roanoke has chosen to file an expedited case. The choice of an expedited rate application implies both benefits and constraints for a rate applicant. While a rate applicant complying with the rules may enjoy prompt rate relief, generally within 30 days after the application has been deemed complete and in compliance with the rules, a public utility choosing to file an expedited rate application is bound strictly by the expedited rate application rules and may not introduce new adjustments, which were not accepted in that utility's last general rate application, absent a waiver by the Commission, of its rules. We have held that participants in an expedited rate proceeding other than the company were not limited in their introduction of adjustments. See Application of Virginia Electric and Power Company, For an increase in base rates, Case No. PUE880014, 1988 S.C.C. Ann. Rept. 312 at 314.

In the instant case, the length of time between Roanoke's last general rate case and the Company's determination to file an expedited rate application have resulted in the consideration of several adjustments which have been proposed and accepted in other utility rate cases. One such adjustment is the customer growth adjustment. This adjustment has been litigated, accepted by a Hearing Examiner and, in turn, accepted by the Commission in Application of Virginia Electric and Power Company, Case No. PUE880014, 1988 S.C.C. Ann. Rept. at 312-13. The Virginia Power proceeding was also an expedited proceeding.

As the Hearing Examiner's Report in the Virginia Power proceeding made clear, the purpose of a customer growth adjustment is to recognize revenues a company will receive from year-end customers who are connected to the system and thus served by plant in service as of the end of the test year. In the instant case, the Staff made several accounting adjustments, including a revenue adjustment, to recognize these late year customer additions. Specifically, Staff calculated new connection revenues by looking at the average consumption per customer during the test period for connections added one year prior to the test year. This calculation reflects customer conservation arising from use of more energy efficient appliances. The average consumption per customer was multiplied by the number of new customers added during the test period. Staff compared the estimated annualized consumption per customer to the volumes of gas actually sold to new customers during the test period. The difference produced the increase in volumes from new connections made during the test year which were then priced out, using end-of-test year rate blocks.

The number of customers used in the Staff's adjustment were those added during the test period. As the record demonstrates, Staff did not proform rate base, but instead, used an end-of-test period rate base, as did Company in the schedules filed with its application in this, as well as its earlier, rate case. Consequently, it is not necessary to consider whether the Company's rate base should be proformed beyond that amount existing at the end of the test period. The adjustment for customer growth to capture the revenue stream generated by customers connected late or at the end of the test period does not create the need for a proforma rate base adjustment as its corollary. The two adjustments are distinct.

In sum, we find the Staff's customer growth adjustment to be supported by the record and necessary to match rate base and revenues. Use of an end-of-period rate base in this case provides a sufficient attrition allowance, especially where as here, other significant operating expenses, such as pension, payroll taxes, and wages and salaries, have been proformed.

Deferred Gas Cost Adjustment to Rate Base

Another accounting adjustment proposed by the Staff which has been accepted in recent utility rate cases includes Staff's adjustment to reduce rate base by the amount of gas costs the Company has overrecovered from its customers. Staff testified that similar adjustments have been accepted in other natural gas company rate cases. More recently, we have accepted this type of adjustment in Application of United Cities Gas Company, To revise its tariffs, Case No. PUE890053 at 6 (Final Order, March 29, 1990). Unlike Roanoke, United Cities Gas Company had underrecovered its gas costs, and its rate base was increased by the 13-month average balance of the deferred gas underrecovery. Id.

In this case, Staff has recommended that Roanoke's rate base be reduced by $470,356. This amount is based on the 13-month test period average gas balance, net of federal income tax. A 13-month average balance is utilized in an effort to smooth out the volatile nature of the deferred gas balance. Staff eliminated 50% of the prior years' deferred gas balance in order to reflect a more forward-looking amount since the deferrals of these costs are reversed through the actual cost adjustment ("ACA") portion of Roanoke's PGA clause. Staff has proposed to reduce rate base because it maintains that, when the Company overrecovers its gas costs, the Company has the use of these ratepayer dollars until they are returned through the ACA. Staff maintains that the overcollected amounts reduce Roanoke's additional financing requirements. As we noted earlier, pp. 7-8 supra, Roanoke's analysis of its deferred gas adjustment focused upon the operation of its ACA.

We require deferrals of natural gas costs to be returned to or collected from natural gas customers through the ACA portion of a Company's PGA. The lag in recognizing changes in the PGA as well as the seasonal fluctuation in the level of sales create a balance sheet liability or asset. This balance sheet liability represents a cumulation of all gas cost over- and under-recoveries from previous as well as current periods. Roanoke's analysis of Staff's adjustment does not focus on the deferred gas balance, but instead concentrates on the income statement's recovery of gas costs. This approach ignores the fact that for cost of service purposes, Staff has recomputed the PGA factor to provide a perfect match between operating revenues and expenses. Thus, adjusted cost of service revenues and expenses are not impacted by the income statement deferred gas account.

We find that the record indicates that on average, during the test period, the Company overrecovered its gas costs and enjoyed the use of these overrecovered funds until they were returned to Roanoke's customers through the ACA. We believe it is appropriate to recognize this source of cost free capital when establishing the cash working capital component of Roanoke's rate base. Therefore, we accept the Staff's adjustment to reduce Roanoke's rate base by the thirteen-month test period average deferred gas balance, eliminating 50% of the prior year balances, net of federal income taxes.

Capitalization of Fringe Benefits

The Company, by counsel, asserts that it is incorrect to eliminate $108,142 from operating expense without a corresponding increase to rate base. Roanoke argues that if these expenses were capitalized, it would be entitled to an increase in additional gross annual revenue requirement of $23,861. The $108,142 figure cited by Roanoke appears to be the sum of the differences between Staff and Company adjustments to proform pension expense and to capitalize employee health insurance premiums, workmen's compensation accruals, and office supplies and expenses, i.e., ($26,274) + ($81,868). Staff has testified that these adjustments were necessary to properly allocate to Roanoke's merchandising and jobbing activities and to Bluefield Gas Company and Gas Service, Inc. ("Highland Propane") the applicable percentages of pension and health insurance expenses.

In contrast to the Staff, the Company has increased rate base to recognize the capitalization of certain of these fringe benefit costs. However, the Company did not present affirmative evidence to support why it was appropriate to so increase rate base. Indeed, before the Company's proposed rates became interim and subject to refund on August 21, 1989, the Company expensed 100% of these costs which should have been capitalized or allocated. The Company's rate application and the Staff's prefiled direct testimony used an end-of-test period rate base, i.e., a rate base as of April 30, 1989. As of April 30, 1989, the Company had not capitalized any of these costs. In order to properly state cost of service at the end of the test period and to recognize that the Company has been made whole by expensing these costs, it is necessary to eliminate $108,142 from operating expense. Since these expenses were not capitalized as of the end of the test period, i.e., April 30, 1989, it is inappropriate to increase rate base by this amount. For those reasons, we accept the Hearing Examiner's elimination of $108,142 from operating expense.

Accordingly, IT IS ORDERED:

(1) That the findings and recommendations of the June 13, 1990 Hearing Examiner's Report, as supplemented herein, are hereby accepted and adopted;

(2) That, consistent with the findings made herein, Roanoke shall file forthwith with the Division of Energy Regulation revised tariffs designed to recover $506,692 in additional gross annual revenues, to be effective for service rendered on and after October 1, 1990;

(3) That, on or before December 7, 1990, Roanoke shall refund, together with the interest specified in the June 13, 1990 Hearing Examiner's Report, all revenues collected from the application of the rates which were made effective on August 21, 1989, subject to refund, to the extent that they exceed the revenues which would have been collected by the application of rates approved herein during the interim period, beginning August 21, 1989. In calculating the amount of the refund necessary, the Company shall utilize the rate design method, proposals, and revenue allocations proposed by Staff witness Gahn and adopted herein. The refund directed herein shall be applied to Roanoke's rate classes in proportion to each class' rate of return and shall be limited so that no class receives a decrease in the revenues that the class was contributing before the Company filed the instant case;

(4) That the refunds ordered in Paragraph (3) above may be accomplished by credit to the appropriate customer's account (shown separately on each customer's bill) for current customers. Refunds to former customers shall be made by check to the last known address of such customers when the refund amount owed is $1.00 or more. The Company may retain refunds owed to former customers when such refund amounts are less than $1.00. However, Roanoke shall prepare and maintain a list detailing each of the former accounts for which refunds are less than $1.00, and in the event such former customer contact Roanoke and request their refunds, said refunds shall be made promptly;

(5) That, on or before January 31, 1991, Roanoke shall file with the Commission's Staff a document showing that all refunds have been lawfully made pursuant to this Order and itemizing the costs of the refund. Such itemization of costs shall include, inter alia, computer costs, the manhours, associated salaries, and costs for verifying and correcting the refund methodology and for developing the computer programs associated with the refunds;

(6) That Roanoke shall bear all costs of such refunding;

(7) That Roanoke shall forthwith correct its books and records of account retroactively to the fiscal year commencing October 1, 1989, to properly account for the capitalization of direct and overhead construction cost as stated in the Uniform System of Accounts and FERC Accounting and Reporting Requirements;

(8) That Roanoke shall provide a recalculation of current federal income tax, deferred federal income tax, and interest expense deduction adjustments when filing its next rate application;

(9) Roanoke shall write off excess unbilled accumulated deferred federal income tax ("ADFIT"), and the excess of $5,107 shall be credited to income currently in order for the balance to be zero once the ADFIT credit balance reverses at a 34% rate;

(10) Roanoke shall file a lead/lag study with the Commission's Division of Public Utility Accounting no later than 60 days prior to its next rate application, said application and study to employ a current 12 month test period;

(11) That Roanoke shall transfer forthwith the nonamortizable Other Investment-Acquisition costs relating to the 1987 acquisition of Bluefield Gas Company from its books and records to those of Bluefield Gas Company;

(12) That consistent with Staff witness Gahn's recommendations, Roanoke's General Service minimum bill shall be forthwith increased to $4.85, and its Commercial and Industrial Firm Service minimum bill shall be forthwith increased to $7.75, said increases to be effective for service rendered on and after October 1, 1990;

(13) That Roanoke's customer charge for the Interruptible Gas Tariff shall be forthwith increased to $175, effective for service rendered on and after October 1, 1990;

(14) That Roanoke shall revise its current PGA provisions, effective for service rendered on and after October 1, 1990, consistent with our Order entered in Case No. PUE880031 and Staff witness Gahn's testimony, prefiled herein; and

(15) That there being nothing further to be done herein, the same is hereby dismissed.

CASE NO. PUE890060
JANUARY 4, 1990

APPLICATION OF
IDLEWOOD SHORES WATER COMPANY

For a certificate of public convenience and necessity to provide water service and for approval of tariffs pursuant to § 56-265.3

FINAL ORDER

On July 27, 1989, Idlewood Shores Water Company, Inc. ("Idlewood" or "Company") filed an application with the Commission pursuant to Virginia Code § 56-265.3 for a certificate of public convenience and necessity and for approval of its tariffs. The Company plans to provide water service to Idlewood Shores, a subdivision located in Franklin County, Virginia.

By Order dated August 18, 1989, the Commission docketed the matter, assigned a hearing examiner to the case, established a procedural filing schedule for pleadings, testimony and exhibits, and directed Company to give notice of its application to the public.

Pursuant to the Commission's August 18 Order, the matter came to be heard by Glenn P. Richardson, Hearing Examiner. W. H. Fralin, Esquire appeared as counsel for the Company; and Marta B. Davis, Esquire appeared as counsel for the Commission's Staff. H. Wayne Yeatts, Vice President of Idlewood Shores Water Company, presented testimony on behalf of the Company; A. Alan Baird, an associate utilities specialist in the Commission's Division of Energy Regulation, presented testimony on behalf of the Staff. No protestants or interveners appeared or participated in the hearing.

On December 12, 1989, the Examiner filed his Hearing Examiner's report. In his report, the Examiner made the following findings and recommendations:

(1) There is a public need for water service in the area for which the certificate is sought;

(2) No other publicly or privately owned water system is able to adequately provide service in the proposed service area;

(3) The Company's facilities will provide proper and adequate service in the proposed service area;

(4) The Company has the financial and managerial ability necessary to properly install, maintain and operate the proposed facilities and to render the required water service;

(5) The Company's proposed rules and regulations, as amended by Staff witness Baird, are just and reasonable and should be approved by the Commission;

(6) The Company's initial rates, with the exception of the Company's proposed availability charge and tax gross up for connections over 3/4-inch, are just and reasonable and should be permanently approved by the Commission;

(7) The Company should be directed to provide additional public notice of its proposed availability charge and tax gross up for connections over 3/4-inch in accordance with the notice requirements of the Small Water or Sewer Public Utility Act;

(8) The Company's proposed availability charge and tax gross up for connections over 3/4-inch should be allowed to go into effect without further Commission action if less than 25% of the Company's customers request a hearing thereon; and

(9) The case should be remanded to the Examiner for further proceedings if 25% or more of the Company's customers request a hearing on the availability charge or tax gross up for connections over 3/4-inch.

The Examiner recommended that the Commission enter an order that: adopts the findings in the Report; grants the Company a certificate of public convenience and necessity to provide water service in the proposed service area; approves Idlewood Shores proposed rules and regulations, as amended by Staff; and approves the Company's proposed rates, with the exception of the proposed availability charge and tax gross-up for connection over 3/4-inch. The Examiner also recommended that the Commission direct Idlewood to comply with finding (3) above and retain this case on the Commission docket in the event 25% of the customers request a hearing on the availability charge or tax gross-up for connection over 3/4-inch in diameter.

No comments were filed concerning the Hearing Examiner's report.

NOW THE COMMISSION, upon consideration of the record and the Hearing Examiner's report is of the opinion and finds that the findings and recommendations of the December 12, 1989 Hearing Examiner's report should be adopted. Accordingly,

IT IS ORDERED:

(1) That certificate of public convenience and necessity No. W-264 be issued to Idlewood to provide water service to Idlewood Shores Subdivision, located in Franklin County, Virginia;

(2) That Idlewood's proposed rules and regulations be approved, as amended by the Staff;

(3) That Idlewood's proposed rates are hereby approved, with the exception of the proposed availability fee and tax gross-up for connections over 3/4-inch and shall be effective for service rendered on and after the date of the entry of this Order;

(4) That Company forthwith provide additional public notice of its proposed availability charge and tax gross-up for connections over 3/4-inch in accordance with the provisions of the Small Water or Sewer Public Utility Act; and

(5) That Company shall provide the Commission with proof that Notice has been accomplished;

(6) That the Commission retain the case on the Commission's docket and shall remand the case to the Examiner for further proceedings in the event 25% or more of the Company's customers request a hearing on the availability charge or tax gross-up for connections over 3/4-inch.

CASE NO. PUE890061
JANUARY 31, 1990

APPLICATION OF
ONEY SUBDIVISION WATERWORKS, INC.

To discontinue service pursuant to Virginia Code § 56-265.1

FINAL ORDER

On August 4, 1989, Oney Subdivision Waterworks, Inc. ("Company") filed an application with the Commission pursuant to Virginia Code § 56-265.1(b)(1). The Company is seeking Commission approval to discontinue water service to approximately twenty-two (22) households located in Oney Subdivision in Giles County, Virginia.

By Order dated August 31, 1989, the Commission invited public comments on the Company's application and allowed interested parties to request a hearing.

Having received numerous customer requests for a hearing, the Commission by its October 23, 1989 Order scheduled the matter for a March 23, 1990 hearing, assigned a hearing examiner to the case and established a procedural schedule for pleadings, testimony and exhibits.

On January 9, 1990, the Company filed a motion seeking permission to withdraw its application. In support of its motion, Company stated that it had contracted to sell the water system to subdivision residents. The Company further submitted an executed copy of the agreement to purchase the water system.

On January 22, 1990, the Examiner filed his report finding that the Company's Motion to Withdraw its Application to Discontinue Water Service should be granted. The Examiner recommended that the Commission enter an order granting the Company's motion; withdrawing the application from the Commission's docket of active proceedings; and passing the papers filed in the captioned matter to the file for ended causes.

NOW THE COMMISSION, upon consideration of the record and the Hearing Examiner's Report, is of the opinion and finds that the findings and recommendations of the January 22, 1990 Hearing Examiner's Report should be adopted. Accordingly,

IT IS ORDERED:

(1) That the findings and recommendations of the January 22, 1990 Hearing Examiner's Report are adopted;

(2) That the Company's Motion to Withdraw its Application be granted;

(3) That the Company's application shall be removed from the docket of active proceedings, and shall be passed to the file for ended causes.

CASE NO. PUE890068
FEBRUARY 13, 1990

APPLICATION OF
DOSWELL LIMITED PARTNERSHIP

For a certificate of public convenience and necessity and, if applicable, for approval of expenditures for new generating facilities

OPINION AND FINAL ORDER

Opinion, Harwood, Commissioner:

On September 25, 1989, Doswell Limited Partnership ("Doswell"), an independent power producer ("IPP"), filed an application with supporting prepared testimony and exhibits requesting the Commission's approval of Doswell's proposed construction of a 650 megawatt ("MW") combined-cycle generating plant to be located in Hanover County, Virginia. The applicant sought a certificate of public convenience and necessity, pursuant to Virginia Code § 56-265.2, and pursuant to Virginia Code § 56-234.3 which requires the company to satisfy the Commission following a public hearing, that "... the proposed improvements are necessary to enable the public utility to furnish reasonably adequate service and facilities at reasonable and just rates."

On October 3, 1989, the Commission issued an order directing Doswell to publish notice of its application and setting a procedural schedule. The application raises issues of first impression for this Commission concerning our jurisdiction over IPPs. Accordingly, we identified certain legal issues to be briefed by Doswell and the Commission Staff, which briefs were filed on November 3, 1989. The required public hearing was held on December 7, 1989.

At the outset, it must be observed that Doswell has no certificated service territory and seeks none. As it stands, Doswell has no service obligations to Virginia customers. Its generating output will be sold exclusively to the Virginia Electric and Power Company ("Virginia Power") for resale. For this reason it is clear that the Commission must analyze the application in terms of Virginia Power's duty to provide reliable service to its customers at "reasonable and just rates."

Although this is the first application filed with the Commission for approval of an IPP facility, third-party generation is not new to us. Cogeneration and small power production have been steadily growing in the Commonwealth since the passage of the Public Utility Regulatory Policies Act of 1978, 16 U.S.C. § 2601 et seq. (1978) ("PURPA"). We have encouraged that development primarily because of the conservation objectives underlying PURPA. Facilities qualifying for construction under PURPA do not file with this Commission for construction and operating authority. IPPs, however, such as Doswell, are not afforded federal exemption from state regulation.

I. LIMITED PARTNERSHIP ORGANIZATION

Doswell is a limited partnership organized under the laws of the Commonwealth of Virginia. The sole general partner of the limited partnership is Doswell I, Inc., a Delaware corporation and a wholly-owned subsidiary of Diamond Energy, Inc. ("Diamond"). Diamond is a wholly-owned subsidiary of Mitsubishi Corporation. A second wholly-owned subsidiary of Diamond, Doswell II, Inc., is the sole limited partner of the limited partnership. Doswell II, Inc., is also a Delaware corporation. Doswell intends to sell limited partnership interests to a number of different entities and eventually remove Doswell II, Inc. as a limited partner. Doswell, as a successor in interest to Intercontinental Energy Corporation ("IEC"), is a party to two power purchase and operating agreements ("the agreements"), each dated June 22, 1987, with Virginia Power. At the hearing, Doswell indicated that it was in the process of negotiating changes to several provisions in the agreements.

The Virginia Constitution provides that "[n]o foreign corporation shall be authorized to carry on in this Commonwealth the business of, or exercise any of the powers or functions of a public service enterprise, ..." Virginia Constitution Art. IX § 5. Virginia Code § 13.1-620(E) prohibits the Commission from issuing a certificate of incorporation "[i]f one or more of the purposes set forth in the articles of incorporation is to own, manage or control any plant or equipment within the Commonwealth ... for the production of heat, light, power" unless the articles, "... expressly state that the corporation is to conduct business as a public service company." Consequently, a domestic public service corporation is the only corporate entity which can engage in a public utility activity in Virginia. Doswell, however, is not organized as a corporation, as are most public utilities in Virginia. It is a Virginia limited partnership, and the definitions of "company" in Virginia Code § 56-265.1(a) and "public utility" in Virginia Code § 56-265.1(b) explicitly permit partnerships to hold certificates of public convenience and necessity.

It is our opinion that the limited partnership in this case should be treated as a separate entity for purposes of the certification and approvals which it seeks. Under the common law aggregate rule, partnerships were not treated as legal entities apart from the individual partners. However, Virginia has adopted the Uniform Limited Partnership and Uniform Partnership Acts which recognize a partnership as a legal entity separate and apart from its partners. Virginia Code §§ 50-73.1, et seq. and 50-1 et seq. Notably, a partnership can hold title to property in its own name and limit a partner's rights to possession of that property. Virginia Code §§ 50-8 and 50-25. Those property rights are analogous to a certificate of public convenience and necessity, which the Virginia Supreme Court has held to be a valuable property right. Culpeper v. Virginia Electric and Power Company, 215 Va. 189 (1974). The Virginia Code grants partnerships the right to carry on any trade or business as a separate legal entity, apart from the partners. Virginia Code §§ 50-6 and 50-73.9. In the course of conducting a business, a partnership can sue and be sued in its own name without joinder of the partners. Virginia Code § 50-8.1.

A partnership is a separate legal entity under these partnership laws, and the Utility Facilities Act expressly recognizes the right of a partnership to function as a public utility. Consequently, we recognize Doswell as the public utility which will own the generating unit, and conclude that the general and limited partners need not incorporate as public service corporations. However, the present general partner, and all such future partners, that are charged with managing the project, may have information that is vital for the Commission's ongoing regulation of the operation of the Doswell facility. Accordingly, we shall impose certain requirements upon the general partners, which will be discussed below.

II. COMMISSION JURISDICTION

Doswell asserts that because it will sell only wholesale electricity to Virginia Power, its rates and services are governed by Part II, Sections 205, 206, and 207 of the Federal Power Act (16 U.S.C. §§ 824d-f). The Federal Power Act, 16 U.S.C. § 824(b) and § 824d, provides that such wholesale rates are exclusively governed by the Federal Energy Regulatory Commission ("FERC"). Under the Federal Supremacy Clause of the U.S. Constitution (Article VI, cl. 2), states are pre-empted from modifying the rates established by FERC. Yet, such pre-emption does not otherwise remove Doswell from this Commission's statutory authority.

Upon reflection, we believe it unnecessary, and potentially dangerous, to seek to determine in this order the full extent of our jurisdiction over the applicant pertaining to problems or situations which are not before us nor likely identifiable; we do not render advisory opinions. It is sufficient to state that we consider our jurisdiction to be coextensive with that over all other Virginia electric utilities except to the extent pre-empted by federal law.

While we recognize that Doswell's rates, i.e., its contract with Virginia Power, are subject to the jurisdiction of the FERC, we are not precluded from this initial evaluation and adjudication of the viability and appropriateness of the Doswell project. To the extent that the FERC jurisdiction is hereafter modified, terminated, or waived, we would expect to assert our jurisdiction to the full extent provided by state law. Further, a Doswell witness stated that he could not guarantee that Doswell's organizational structure would not change. If such a change occurs, it could trigger our jurisdiction.

As noted at the beginning of this order, the proposed facility is not one intended to supply electricity at retail to the customers of a utility possessing a certificated territory served by necessary transmission and distribution lines. Rather, since it serves only Virignia Power with wholesale power, the findings necessary under both Code §§ 56-265.2 and 56-234.3 must be established by evidence of need, costs, reliability, and preferable alternatives as those justifying elements relate to Virginia Power. The authority vested in the Commission by Virginia Code § 56-234.3 incorporates both licensing and rate aspects and Doswell itself recognizes that it is a "utility subject to the jurisdiction of the State Corporation Commission." Although our exercise of rate jurisdiction over Doswell is pre-empted, we do have certificate or licensing jurisdiction. That statute then is applicable to IPP projects as it relates to certificate matters. The fact that we do not now expect to regulate Doswell's rates is not dispositive of our obvious need, and statutory duty, to conduct without reservation the investigation and overview contemplated by both of the foregoing code sections.

In this regard, Doswell is in a similar position to Old Dominion Electric Cooperative ("ODEC"), which is solely a wholesale power supplier to various retail cooperatives, in that ODEC is not subject to our rate jurisdiction as it relates to "sales of energy at wholesale, . . ." Va. Code § 56-231.12.[1]

Nevertheless, ODEC was recently brought before the Commission on a rule to show cause, Case No. PUE890045, when it became common knowledge that it had contracted for construction of a major generating plant without having filed for approval of that facility under Va. Code § 56-234.3. In fact, in earlier meetings with our Staff, ODEC had contended that such approval was unnecessary, since the Commission had no authority over wholesale rates. That argument was not pressed at the hearing on the rule, however, and soon thereafter, ODEC filed the appropriate application in Case No. PUE890051. That case culminated in our order of December 28, 1989, approving the new plant under the above provision. We see no reason not to apply the same statute to Doswell's proposal.

The Commission has a vital, ongoing interest in the construction and cost of the Doswell facility. Since we do regulate the services and rates of Virginia Power, it should be obvious that we have concerns with Doswell's proposal similar to those we would have if it were a Virginia Power proposal.

Inefficient, wasteful construction practices, procedures, designs, planning, etc., may have an adverse effect on Virginia ratepayers regardless of who the nominal builder/owner may be. By all means, our responsibilities under Virginia Code § 56-234.3 should be discharged to the fullest extent possible, consistent with federal pre-emption. This includes the possibility of the employment by the Commission, at Doswell's expense, of qualified persons to audit and investigate the project, as specifically provided in § 56-234.3.

We recognize that under Chapters 3 and 4 of Title 56, Code of Virginia, our duty to review and approve a utility's proposed issuance of securities and its agreements with affiliated interests is conditioned upon our co-extensive duty to regulate the rates of that utility. In this case, although we have no immediate power to respond to Doswell's security issuances or to its dealings with affiliated interests, we have a vital concern in those subjects because of their potential involvement in future FERC proceedings of interest to this Commission.

Therefore, upon the granting of any certificate as herein requested, the certificate holder, together with all general partners of any partnership holding any interest in the certificate to the extent provided by statute, their successors and assigns, shall be subject to the applicable regulatory provisions of Title 56, 1950 Code of Virginia. Provided, however, for so long as the Commission is precluded by federal law from regulating the rates of the certificate holder, the certificate holder and its general partner shall be required only to file the following information:

(1) The issuance of stocks and stock certificates or other evidences of interest or ownership, and bonds, notes, and other evidences of indebtedness and the creation of liens on any of the certificate holder's property within Virginia, as described in Virginia Code § 56-57, and amendments thereto, shall be accompanied by the filing with the Clerk of the Commission of a statement setting forth the amount, character, terms, and purposes of the stocks, stock certificates, or other evidences of interest or ownership, and bonds, notes, and other evidences of indebtedness issued or assumed; and

(2) There shall be filed with the Clerk of the Commission copies of all contracts or arrangements described in Virginia Code § 56-77, and amendments thereto.

Our exercise of certificate jurisdiction will not impair FERC rate regulation. FERC's jurisdiction over licensing of power plants extends only to those entities enumerated under 16 U.S.C. § 797 et seq. Such entities do not include the type of facility Doswell proposes to construct. Moreover, Doswell recognized the proper exercise of jurisdiction by this Commission.

This Commission's exercise of jurisdiction over licensing and reporting requirements regarding an IPP is not pre-empted as long as our regulation does not frustrate federal law. Hines v. Davidowitz, 312 U.S. 52 (1941). With regard to the reporting requirements, 16 U.S.C. § 824(a) provides that federal regulation of electric utilities should not extend to those matters regulated by the states. It is specifically provided by 16 U.S.C. § 825(a) that the Act (16 U.S.C. §§ 791a et seq.) "shall not relieve any public utility from keeping any accounts, memoranda, or records which such public utility may be required to keep by or under authority of the laws of any state." In this case, clearly no conflict with federal law exists. Doswell has agreed to provide operating and technical records pursuant to our regulation. In addition, there is no indication in the record that state reporting requirements will frustrate federal law.

III. CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

As a starting point in evaluating Doswell's application, the Staff considered the criteria established in Case No. PUE860058, Application of Virginia Electric and Power Company ("Chesterfield 7"), 1987 S.C.C. Ann. Rep. 262. In that Order, the Commission stated:

> Several factors must be demonstrated to the satisfaction of the Commission before it can properly approve any new construction. Among these factors are that the utility will have a need for additional power within the time frame contemplated; that its cost estimates, choice of technology, construction plans and proposed manner of carrying out the project are reasonable; and that there are no suitable alternatives to the proposed construction such as conservation and load management, upgrading existing units, or obtaining the necessary power from resources other than the utility's own facilities.
>
> Id. at 262.

The Staff determined that the above criteria did not fully cover the proposed construction. In order properly to review the project, the Staff found it necessary to examine the technical and financial viability of Doswell and the proposed project. The Commission is directed by statute to determine whether a certificate of public convenience and necessity is in the public interest. An IPP must show the need for the project and the technical and financial viability of the developer and the project to allow us to conclude that a certificate of public convenience and necessity is in the public interest.

The record reflects that Virginia Power has a need for capacity in the early 1990's. This need is increased by Virginia Power's recent change in its target reserve margin from 18.5% to 21%. The loss of capacity associated with the Doswell project would leave Virginia Power with a minimal allowance for further attrition of purchased power. Moreover, the witness from Virginia Power testified that the proposed Doswell facility is in an optimal location near a Virginia Power transmission line and the Richmond-Washington corridor.

The Staff reported that Doswell's anticipated contractual payments from Virginia Power, which are based on the avoided costs of Chesterfield 7, are reasonable when compared to payments for power from similar projects. While Doswell will not receive revenues from steam sales (since it is not a cogeneration facility), it may experience certain economies of scale due to its size. There is no reason to believe that the costs of the project will become unreasonable because it is no longer a cogeneration facility.

Important to our determination of whether Doswell should receive Commission approval of its certificate request is whether Doswell has the technical and financial ability to construct and operate the plant. The record demonstrates that Doswell has made significant progress since it assumed the IEC contract in June 1989. It has issued a letter of intent to contract for construction of the facility on a turnkey basis with Fluor Daniel, Inc., a reputable engineering, construction, and planning contractor which has significant experience in the construction of power plants. Additionally, it has filed its contract with FERC to obtain approval of its contract rates with Virginia Power; it is gathering information to solicit an operations and maintenance contractor; and it has secured or is in the process of securing environmental permits. In fact, the project will use effluent from the Hanover County Waste Treatment Plant which will have a positive effect on the quality of water in the North Anna River system. Additionally, Diamond Energy is involved in the development of three other power projects. Its technical qualifications to undertake the project are adequate.

As to financial viability, the record shows that the developer, through the support of Mitsubishi Corporation, is a viable entity. This, of course, is important to investors. However, the nonrecourse nature of the contemplated financing requires us to consider the project's ability to be financed on a stand-alone basis. Doswell has issued its Project Information Memorandum outlining its need for financing, which it anticipates obtaining by March 1, 1990. Several major investors have expressed interest in financing the project. We are encouraged by the progress Doswell has made in obtaining financing, and we believe the record before us provides reasonable assurance that the project can be adequately financed.

Doswell has taken steps to secure firm transportation and interruptible storage from Consolidated Natural Gas ("CNG") and has sought FERC approval. Furthermore, Doswell is also completing its negotiations with Virginia Natural Gas ("VNG") for a firm transportation and capacity contract.

Other aspects of Doswell's efforts also reflect that the project is viable. Doswell has provided security payments in advance of their due dates to Virginia Power, demonstrating its commitment to the project. Doswell is subject to the same liquidated damages as IEC for delays in meeting milestones set forth in the agreements. In order to secure timely performance, Doswell is negotiating provisions with its contractors for substantial liquidated damages for any delays or failures in performance.

The evidence reflects a need by Virginia Power for capacity in the early 1990's. The evidence further reflects that Doswell is assembling the necessary expertise to construct and operate the project, and that it is capable of attracting the necessary capital.

NOW, THE COMMISSION, upon consideration of the record in this proceeding and the applicable law, finds that:

(1) Doswell's proposed combined-cycle generating plant, to be located in Hanover County, Virginia, capable of producing approximately 650 MW of electricity, is necessary to meet Virginia Power's capacity needs. The Doswell facility should, therefore, be approved. Doswell shall keep this Commission apprised of changes, if any, to its purchased power agreements with Virginia Power.

(2) Doswell's construction of such facilities for use in public utility service is required by the public convenience and necessity, pursuant to the provisions of Virginia Code § 56-234.3 and § 56-265.2.

(3) It is appropriate to impose certain conditions upon the issuance of the certificate in this case to assure that the Commission is kept apprised of the activities of the limited partnership and general partner. Accordingly,

IT IS ORDERED:

(1) That Doswell's proposed construction and operation of the combined-cycle facility is hereby approved under Virginia Code § 56-234.3, and a certificate of public convenience and necessity shall be issued therefor upon the filing of maps, pursuant to Virginia Code § 56-265.2, subject, however, to Doswell's filing with the Clerk of the Commission three (3) copies of the January 3, 1990, revised, executed power purchase and operating contract by and between Doswell and Virginia Power;

(2) That Doswell shall comply with any and all reporting requirements directed by the Commission related to the construction, operation, and technical aspects of the subject project, and shall not sell or transfer any of its utility assets or the certificate of public convenience and necessity without first seeking Commission approval;

(3) That the certificate holder, together with all general partners of any partnership holding any interest in the certificate to the extent provided by law, their successors and assigns, shall be subject to all of the regulatory provisions of Title 56 of the Virginia Code which are not pre-empted by federal law;

(4) Doswell shall file with the Clerk of the Commission, information, reports, and contracts as follows:

(a) The issuance of stocks and stock certificates or other evidences of interest or ownership, and bonds, notes, and other evidences of indebtedness and the creation of liens on any of the certificate holder's property within Virginia, as described in Virginia Code § 56-57, and amendments thereto, shall be accompanied by the filing of a statement setting forth the amount, character, terms, and purposes of stocks, stock certificates, or other evidences of interest or ownership, and bonds, notes, and other evidences of indebtedness issued or assumed;

(b) Copies of all contracts or arrangements, and amendments thereto, described in Virginia Code § 56-77;

(c) Three copies of any and all future contracts or arrangements, and amendments thereto, executed by and between Doswell and Virginia Power;

(d) Any and all information, reports, etc., related to its operations as requested by the Commission's Divisions of Energy Regulation, Economic Research and Development, and Accounting and Finance;

(e) The foregoing filing requirements shall be binding upon all successors and assigns of Doswell.

(5) And this cause is continued pending further Commission action.

[1] True, with ODEC, our lack of jurisdiction is due to state rather than federal law, contrary to Doswell, but otherwise the analogy is a close one.

CASE NO. PUE890068
MARCH 6, 1990

APPLICATION OF
DOSWELL LIMITED PARTNERSHIP

For approval of new generation facilities pursuant to Virginia Code § 56-234.3 and for a certificate of public convenience and necessity pursuant to Virginia Code § 56-265.2

ORDER GRANTING CERTIFICATE

The Commission, by Final Order of February 13, 1990, in the above-referenced case, pursuant to the Virginia Code § 56-234.3 approved the construction for a 650 Megawatt ("MW") combined-cycle generating plant to be constructed and operated by the applicant in Hanover County, Virginia.

In addition, the Commission ordered that a certificate of public convenience and necessity be issued to the applicant under Virginia Code § 56-265.2 upon the filing of the maps, subject however to the applicant's filing with the Clerk of the Commission three (3) copies of the January 3, 1990, revised, executed power purchase and operating contract by and between Doswell Limited Partnership and Virginia Power.

The appropriate maps and three (3) copies of the executed power purchase and operating contract were filed on February 26, 1990; accordingly,

IT IS ORDERED that a certificate of public convenience and necessity be issued to Doswell Limited Partnership as follows:

> Certificate No. ET-148, for Hanover County, authorizing Doswell Limited Partnership to construct and operate a 650 MW combined-cycle generating plant, as shown on the map attached thereto.

CASE NO. PUE890069
NOVEMBER 9, 1990

PETITION OF
CITY OF FRANKLIN

For a declaratory judgment

OPINION AND FINAL ORDER

On September 26, 1989, the City of Franklin, Virginia (the "City") filed a petition seeking a declaratory judgment that it need not obtain Commission approval under § 25-233 of the Code of Virginia to condemn certain electric utility facilities of Virginia Electric and Power Company ("Virginia Power"). By Preliminary Order issued on December 8, 1989, the Commission required the City and Virginia Power to file a stipulation of facts and simultaneous briefs on the legal issues. The Stipulation was filed on January 17, 1990, and briefs were filed by both parties on January 24, 1990. Our decision here is based on the facts stipulated by the parties and the arguments in their briefs.

FACTS

On December 20, 1985, the Circuit Court of Southampton Countyapproved a settlement agreement between the City and Southampton County and ordered annexation of a portion of the County to the City. Electric service to the area annexed to the City is currently provided by both Virginia Power and the City. On August 28, 1989, the City offered to purchase certain Virginia Power facilities in the annexed area, but Virginia Power replied, on September 20, 1989, that it would not sell the facilities.

The facilities in question are distribution facilities, and consist of poles and fixtures, overhead conductors and devices, underground rises, conductors, service cables, line transformers, meters, and street lighting. The City does not seek to acquire transmission or generation facilities. Virginia Power's ability to serve its customers outside the annexed area would be unaffected by the City's proposed acquisition of the distribution facilities.

In its Petition of September 26, 1989, the City states an intention to begin condemnation proceedings pursuant to § 56-265.4:2 of the Code in order to acquire the facilities. The City seeks a declaration that the Commission's approval of the condemnation under § 25-233 of the Code is unnecessary. Virginia Power challenges the City's right to condemn without our approval.

DISCUSSION

This case involves the interpretation of §§ 56-265.4:2 and 25-233. The first permits a city or town which distributes electricity to its citizens through its own facilities to acquire certain distribution facilities of electric utilities in areas later annexed to the municipality. There is no question that § 56-265.4:2 applies to the acquisition proposed by the City here. Rather, we are asked to interpret language in that section which requires any such acquisition to proceed "in the manner provided by Title 25."

Virginia Power's argument is simple. It contends that the language of § 56-265.4:2 requires application of all of the relevant provisions of Title 25 to acquisitions of electric utility facilities by municipalities. Accordingly, it concludes that § 25-233 is applicable to the City's proposal and that our permission to begin condemnation proceedings is necessary.

The City argues that the provisions of § 56-265.4:2 conflict with those of § 25-233. It asserts that the same facilities which the City would be permitted to acquire under the former would always be protected from acquisition by the language of the latter which prohibits taking by condemnation "any property owned by and essential to the purposes of another corporation possessing the power of eminent domain." Therefore, the City contends, § 25-233 cannot be applied because it would prohibit every transaction which might be permitted under § 56-265.4:2. In short, the City argues that the later and more specific statute, § 56-265.4:2, controls the earlier and more general, conflicting statute, § 25-233.

THE COMMISSION is of the opinion that it must reject the interpretation of § 56-265.2:4 proposed by the City. Section 25-233 is one of the salient provisions of Title 25 and we cannot interpret the general reference to Title 25 in § 56-265.2:4 to exclude so important a provision as § 25-233 without indication of a clear legislative intention to create such an exception. To the contrary, the General Assembly has clearly stated its intention to exempt certain transactions from the provisions of § 25-233 when it appeared appropriate (See, § 15.1-320.1).

The City contends that application of § 25-233 to this situation would vitiate § 56-265.2:4. It argues that the last clause of § 25-233 would always prohibit the acquisitions otherwise permitted by § 56-265.4:2. We disagree.

Familiar canons of statutory construction require us to give effect to all of the language of both statutes. The thrust of § 56-265.4:2 is that, upon acquisition of distribution facilities,the municipality would undertake the obligation to serve additionalcustomers. The electric utility relinquishing the facilities would be relieved of the obligation to serve them (See § 56-265.4:2 B). The appropriate interpretation of § 56-265.4:2, in our view, is that distribution facilities are considered facilities "essential to the purposes" of the relinquishing electric utility under the last clause of § 25-233 only when the acquisition would adversely affect service to that utility's remaining customers. That is not the case here. Read together, §§ 56-265.4:2 and 25-233 permit acquisition of the distribution facilities in question if (1) the City can make the evidentiary showing necessary to obtain the Commission's permission and (2) the facilities are not essential for continued adequate service to customers other than those the City proposes to serve after the acquisition.

ACCORDINGLY, IT IS ORDERED:

(1) That the prayer of the Petition is DENIED;

(2) That the City shall be required to seek Commission permission under § 25-233 prior to beginning condemnation proceedings to acquire Virginia Power's distribution facilities in the annexed area; and

(3) That, there being nothing further to come before the Commission, this case shall be closed and the papers herein placed in the Commission's files for ended causes.

Chairman Shannon, dissenting:

I respectfully dissent from the conclusion and the legal analysis of the majority. In my view, Code § 56-265.4:1 was amended, and § 56-265.4:2 was enacted, both by Chapter 325, 1978 Acts of Assembly, for the sole purpose of enabling a qualifying city or town in Virginia to condemn the distribution system and facilities of an electric utility in an area of a county which has been annexed by such municipality. The rule prior to the enactment of Chapter 325 had been clearly enunciated by the Virginia Supreme Court in Town of Culpeper v. Virginia Electric and Power Co., 215 Va. 189 (1974), which held that no procedure then existed in Virginia that would permit an annexing city or town to acquire such facilities by eminent domain. The court cited Code § 56-265.4:1, as it then existed, to illustrate the neutral effect of annexation on a municipality's right to supply electric public utility service in annexed territory. Specifically, the last paragraph of old § 56-265.1, which was later repealed by Chapter 325 of the 1978 Acts of Assembly, was quoted in its entirety.

Code § 25-233 was not an issue in Culpeper, nor should it be in the present case. The only relevant changes in the law since Culpeper have been the amendments to Code § 56-265.4:1 and the addition of § 56-265.4:2.

Code § 25-233 has been a part of the Virginia Code since early in this century--in the Code of 1904, and was apparently regarded as the sole legislative "permission" for one corporation to take the property of another corporation also having the power of eminent domain. See The Great Falls Power Co. v. Great Falls & Old Dominion R.R., 104 Va. 416 at 419 (1905). However, that permission to acquire was, and is, specifically prohibited regarding, "...any property owned and essential to the purposes of another corporation possessing the power of eminent domain." While the cases decided under this provision did not turn on the meaning of the phrase "essential to the purposes," the Great Falls case, above, as well as later cases, clearly implies that credible evidence of present plans for future use of the target property is sufficient to block condemnation; obviously, actual, present use by the intended condemnee, as in this case, would block acquisition.

On at least the authority of Culpeper, prior to the statutory changes adopted by Chapter 325, 1978 Acts of Assembly, municipalities were precluded from supplying electric service or constructing, enlarging, or acquiring facilities therefor in any territory allotted to any public utility by this Commission (whether annexed or not) except as provided in pre-1978 Code § 56-265.4:1, which permitted such encroachment only by agreement of the parties, or pursuant to § 56-265.4, the latter having no relevance to the present issue.

However, with the adoption of the 1978 legislation, any city or town providing electric service to its residents was authorized to acquire by condemnation, if negotiations proved unsuccessful, the specified facilities located in annexed territory. This authorization is clear, it is exercisable solely at the discretion of the municipality, and it contemplates no SCC intervention except to amend the utility's certificate of convenience and necessity to reflect the change in the utility's territory following the transfer of electrical facilities. Further analysis of the changes made in 1978 to the law should make this clear.

First, Code § 56-265.4:1 was amended by the insertion of the following proviso:

> Provided, however, this limitation on the extension of public utility service by any municipal corporation or governmental body outside its political boundaries shall not be applicable to cities or towns extending their service in accordance with the provisions of § 56-264.4:2 of the Code of Virginia.

The foregoing was patently intended to remove the prohibition of the preceding sentences against a city or town supplying electric service, or acquiring, etc., electric utility facilities, outside its political boundaries, without the consent of any affected certificated utility. The proviso simply says that the extension of electric service by cities and towns into annexed areas in accordance with § 56-265.4:2 (simultaneously enacted) does not require the consent of the utility or prior Commission action under Code § 56-265.4. (The latter Code section would require antecedent determination by the Commission that the utility was not providing adequate service in the affected area.)

The same Code § 56-265.4:1 was further amended by striking the last paragraph which, prior to the enactment, read as follows:

> Nothing herein shall be construed to increase, decrease or affect any rights a municipal corporation, public utility or other governmental body may have with regard to supplying electric public utility service in areas heretofore or hereafter annexed by such municipal corporation.

The foregoing language was manifestly intended to guarantee that annexation, per se, by any city and town would not affect the exclusive right of an electric utility to continue to serve all of its certificated territory following the annexation of any part of it. By eliminating this constraint, the way was cleared for the implementation of the next, and last, portion of the 1978 legislation, which was designated new Code § 56-265.4:2 and reads as follows:

> § 56-265.4:2. Extension of service by cities and towns into annexed areas.--Any city or town in the Commonwealth which provides electric utility service for the use of its residents may, upon annexation of additional territory to such city or town, acquire the distribution system facilities of the electric utility serving the annexed area in the manner provided by Title 25 of the Code of Virginia. As used in this section the term "distribution system facilities" shall be deemed to include all facilities necessary to distribute electric utility service to any annexed area but shall not include substations of the public utility whose facilities are being acquired.
>
> Upon completion of the eminent domain proceedings or upon the negotiation of a settlement between the city or town and the electric utility, the State Corporation Commission shall amend the

certificate of convenience and necessity of the public utility whose distribution system facilities have been acquired to reflect the change in its territory.

The foregoing new provision, following the simultaneous enactment of the amendments to § 56-265.4:1, would seem to have but one, clear, intent, and that is to give all Virginia cities and towns which provide electric service to current residents the unequivocal right to acquire the distribution system facilities of any electric utility which are located within areas annexed by such municipality.

The new section also provides that the city or town "may...acquire" the facilities "...in the manner provided by Title 25 of the Code of Virginia...." (Emphasis added.) That title, of course, constitutes the "Virginia General Condemnation Act" and contains § 25-233. The latter, quite obviously, does not address the "manner of acquisition" by condemnation, but appears in a short, "Miscellaneous" chapter of Title 25 and provides a condition precedent to condemnation, generally, of property held by another corporation having like power to condemn. It cannot serve to mitigate or abrogate the unequivocal authorization given to cities and towns by § 56-265.4:2 to extend municipal service to annexed territory and to acquire, by condemnation or purchase, utility distribution facilities located therein.

The last paragraph of Code § 56-265.4:2 completes the statutory scheme by requiring this Commission to amend the certificate of convenience and necessity of the utility "whose facilities have been acquired," so as to reflect the change in the utility's territory. This is the only provision for SCC involvement, and is purely ministerial.

Accordingly, I find neither legal nor logical basis for concluding that the City of Franklin is required to seek Commission permission under Code § 25-233 prior to proceeding with condemnation of the subject facilities.

CASE NO. PUE890072
MARCH 20, 1990

APPLICATION OF
COMMONWEALTH GAS PIPELINE CORPORATION

For a certificate of public convenience and necessity under the Virginia Utility Facilities Act

MEMORANDUM OPINION AND FINAL ORDER

Harwood, Commissioner:

On October 11, 1989, Commonwealth Gas Pipeline Corporation ("Pipeline" or "the Company") filed an application with the State Corporation Commission for a certificate of public convenience and necessity pursuant to Va. Code §§ 56-265.1, et seq. In its application, Pipeline identified several projects which it proposed to construct, but noted that only its Petersburg to Emporia project might require a certificate of public convenience and necessity. Pipeline April 30, 1990subsequently filed a Motion for Jurisdictional Determination in which it requested a determination that the other projects identified in its application did not require the issuance of a certificate.

On November 22, 1989, we entered our Order on Motion for Jurisdictional Determination, which identified the factors to be considered when determining whether a public utility must file an application for a certificate of public convenience and necessity. We found that a public utility which proposes to construct or uprate facilities requires a certificate of public convenience and necessity when (1) the facilities it intends to construct lie outside of the utility's service area; and (2) in the instances in which the facilities lie within the certificated service area, the magnitude and purpose of the proposed projects render them unusual and not in the ordinary course of business. In addition to these considerations, we further determined that when Pipeline acquired additional rights-of-way or real property owned in fee, a certificate was necessary.

In response to our November 22, 1989 Order, Pipeline sought to amend its application and to supplement its prefiled testimony. As amended, Pipeline's application sought authorization to construct the following natural gas facilities:

Project	Estimated Cost
Petersburg to Emporia Line - approximately 44 miles of new 16" line from its existing Petersburg Compressor Station to the proposed Emporia Compressor Station.	$20,750,000
Emporia Compressor Station - a new compressor station at Transcontinental Gas Pipe Line Corporation's ("Transco") delivery point at Emporia, Virginia, consisting of two 650 HP compressor units and related facilities.	$ 2,900,000
Boswell's Tavern Compressor Station - a new compressor station at the Transco delivery point at Boswell's Tavern in Louisa County, consisting of one new 400 HP reciprocating engine compressor unit and related facilities.	$ 2,600,000
Western "C" Line Loop - approximately 11.6 miles of 24" line from Pipeline's existing Bicker's Compressor Station to Pipeline's Main Line Valve 2 and to construct a new measuring and regulating station at Boswell's Tavern.	$ 8,670,000

In its amended application, Pipeline identified the Boswell's Tavern Compressor Station and the Western "C" Line Loop projects as necessary to permit Columbia Gas Transmission Corporation ("TCo") to transport and sell natural gas to Piedmont Natural Gas Company ("Piedmont"), a natural gas utility with operations in North Carolina and Tennessee. Pipeline also noted that the Petersburg to Emporia Line will pass through Dinwiddie County, a county for which the Company does not hold a certificate to own and operate facilities. Further, this project required the acquisition of new rights-of-way in Prince George, Sussex, Dinwiddie, and Greensville Counties and additional real property in Prince George County. The remaining proposed projects, while located in counties for which Pipeline holds certificates, required the acquisition of new rights-of-way and additional real property.

On December 18, 1989, we issued an Order on Motion for Leave to Amend and for Notice and Hearing, wherein we permitted Pipeline to amend its application, established a procedural schedule, and set the matter for public hearing.

We convened the hearing on March 6, 1990. Counsel appearing were: Stephen H. Watts, II, Esquire, for Pipeline; James C. Dimitri, Esquire, for Allied Signal Inc. ("Allied"); David B. Kearney, Assistant City Attorney, for the City of Richmond ("the City"); Guy T. Tripp, III, Esquire, for Virginia Natural Gas, Inc. ("VNG"); Rodney W. Anderson, Esquire, for Commonwealth Gas Services, Inc. ("Services"); and Sherry H. Bridewell, Esquire, for the Commission's Staff. Counsel for Allied, the City, VNG, and Services supported the application. They did not cross-examine the Company's witnesses and agreed that Staff's testimony should be received into the record without cross-examination.

Five public witnesses also appeared. Four of the five public witnesses urged the Commission to approve the construction of Pipeline's proposed projects. One of the public witnesses expressed concern about the effect the Petersburg to Emporia Line might have on the forestlands located in its path. He recommended that the Company modify the project to locate it completely within an existing Virginia Electric and Power Company ("Virginia Power") transmission right-of-way which is contiguous to much of the proposed route for this pipeline.

During the hearing, Pipeline presented the testimony of two witnesses: John W. Stancik and Gary L. Forman. Although these witnesses were not cross-examined by counsel for the Protestants, the Commission and Staff counsel addressed questions to both witnesses.

Among other things, these witnesses testified on the environmental impact of the Petersburg to Emporia route and the choice of the line's location vis-a-vis Virginia Power's right-of-way. They provided a progress report on the status of various regulatory matters associated with and related to the instant application.

Company witness Stancik also testified that TCo had an application pending before the Federal Energy Regulatory Commission ("FERC") to provide service to Piedmont. He noted that the Company's proposed Boswell's Tavern Compressor Station and Western "C" Line Loop projects were related to the provision of natural gas service by TCo to Piedmont. He supported the Staff's recommendation that issuance of a certificate of public convenience and necessity for these projects be made subject to FERC's approval of TCo's application to provide natural gas service to Piedmont.

Upon consideration of the applicable statutes and the record in this proceeding, the Commission finds that the public convenience and necessity require the construction of the Petersburg to Emporia Line and the Emporia Compressor Station. We further find that the Boswell's Tavern Compressor Station and the Western "C" Line Loop projects should be constructed, and that a certificate should be issued for these projects upon FERC's approval of TCo's application to provide natural gas service to Piedmont.

It is our opinion that the Company's proposed projects represent improvements to this utility's system which are necessary to enable it to furnish reasonably adequate service. In making these findings, we note that in cases of this nature, the applicant must bear the burden of proof. An applicant must demonstrate that there is a need for the additional service within the time frame contemplated; that there are no suitable alternatives to the proposed construction; and that the facility's estimated cost, choice of technology, and construction plans are reasonable. See, Application of Virginia Electric and Power Company, Case No. PUE860058, 1987 S.C.C. Ann. Rept. 262 (approval of electric generating facilities). Measured by this legal standard, it is evident that Pipeline has satisfied its burden of proof to demonstrate that its proposed projects are in the public interest.

The record indicates that the Company's existing jurisdictional customers and TCo have reached an agreement which will require an increase in capacity of 51.4 MDth per day over 1989 levels. The Company has also received a commitment from Transco Energy Marketing, Inc. ("TEMCO") for 80 MDth per day of additional transmission capacity, effective November 1, 1990, to enable TEMCO to supply gas to the Hopewell Cogeneration Limited Partnership project. Staff witness Lacy's testimony indicates that this project is 85 percent complete and expected to meet its commercial operation date of May 1990.

It further appears that TCo and Piedmont have executed an agreement calling for TCo to provide 30 MDth of natural gas per day initially to Piedmont beginning on November 1, 1990, and to increase the level of service to 60 MDth per day by 1992. According to Company witness Stancik, the Boswell's Tavern Compressor Station and Western "C" Line Loop projects associated with the Piedmont/TCo transaction will also benefit Pipeline and existing customers by providing transportation revenues and additional throughput on Pipeline's system. Company witness Stancik testified that the Western "C" Line Loop would add additional flexibility to Pipeline's system which will further benefit Pipeline's Virginia jurisdictional customers.

TCo has not yet received FERC approval for its provision of service to Piedmont. In light of this fact, while we find that the issuance of a certificate for the Boswell's Tavern Compressor Station and the Western "C" Line Loop is in the public interest, we believe that a certificate should be issued only after TCo receives the necessary regulatory approval from FERC to construct facilities and provide natural gas service to Piedmont.

We further find that the Company has presented sufficient evidence to support the conclusion that there are no suitable alternatives to its proposed construction of these projects. For example, the Company has noted that the only alternative to the Petersburg to Emporia Line would be to loop existing facilities. Company witness Stancik observed that such looping would have to occur in highly developed areas and thus would require additional time and expense. In order to meet its customers' service needs by November 1, 1990, the Petersburg to Emporia Line appears to be a preferable alternative.

In addition, construction of a new pipeline will provide certain operational benefits not presented by looping the Company's existing system. These benefits include the assurance of operating flexibility and continuity of operations. Moreover, the route of the Petersburg to Emporia Line appears to make natural gas more readily available within a new market area.

While we believe it is important to make natural gas available in areas where this service is not now available, development of a natural gas market must proceed with a regard for Virginia's environmental resources and forestlands. We encourage Pipeline to continue to minimize the effects of constructing and operating a pipeline in these forestlands. In this regard, we believe that Pipeline's application has offered a plan to do that.

As proposed, the route of the Petersburg to Emporia pipeline would begin at the Petersburg Compressor Station on Pipeline's main line in Prince George County and run in a southwesterly direction into Dinwiddie County to a junction with Virginia Power's transmission line. The pipeline would then follow the existing transmission corridor in a generally southern direction crossing through Sussex County and into Greensville County to a point where it would depart from the corridor and run southeasterly to its southern terminus at the proposed Emporia Compressor Station.

Pipeline's witnesses have testified that the Petersburg to Emporia Line project will require the acquisition of additional rights-of-way in Prince George, Sussex, Dinwiddie and Greensville Counties. They noted that although most of the route of the pipeline will be within existing Virginia Power electric right-of-way, the Company will have to acquire 27-1/2 feet of additional adjacent right-of-way in order to maintain a proper distance from Virginia Power's transmission line. The record indicates that there are technical and safety reasons why the Petersburg to Emporia Pipeline cannot be located completely within Virginia Power's right-of-way. As Company witness Stancik explained, acquisition of the 27-1/2 foot right-of-way is necessary to allow the movement and operation of equipment in and near the transmission right-of-way while the pipeline is being constructed and to allow the movement of maintenance equipment near the pipeline, once it is constructed.

Pipeline has also demonstrated that there is a need for, and no suitable alternatives to, construction of additional compressor stations. With increased demand for natural gas capacity, such stations are necessary to assure the continuity of pressure and the flow of gas through the system.

Pipeline's proposed technology appears to conform to industry standards. Its proposed manner of carrying out its projects appears reasonable. For example, Pipeline has stated that the pipe it plans to use in constructing the Petersburg to Emporia Line is manufactured in accordance with the American Petroleum Institute's specifications and that all appurtenant facilities will meet or exceed the requirements of appropriate Federal Safety Regulations.

With respect to the Western "C" Line Loop, Pipeline proposes to construct this pipeline approximately 20 feet to the south of its existing "B" Line within an existing right-of-way to minimize the impact on present property usage. This Loop will also be constructed with pipe manufactured in accordance with the applicable specifications of the American Petroleum Institute and Federal Safety Regulations.

Pipeline intends to monitor the engineering, construction, and commissioning activities of its contractors. The Company intends to develop a written procedure to establish a monitoring program to detail the responsibilities of its personnel and to provide for a formal, documented means to bring concerns to the contractor's attention and for a timely response by the contractor.

Finally, as Staff witness Lacy's testimony indicates, some of Pipeline's jurisdictional customers have agreed to purchase undivided interests in Pipeline's system capacity immediately prior to the merger of that Company into TCo. Similarly, Pipeline has executed an agreement with TEMCO, so that TEMCO may purchase an undivided interest in the capacity of certain of Pipeline's new facilities. While these transactions are not now before us as part of Pipeline's application, we believe that these transactions may require ancillary Commission authority under Chapter 5 and other applicable provisions of Title 56 of the Virginia Code. Therefore, we urge Pipeline, its jurisdictional customers, and TEMCO to apply for the necessary authority to affect these transactions in a timely manner.

Accordingly, IT IS ORDERED:

(1) That a certificate of public convenience and necessity to construct and operate the Emporia to Petersburg Line and the Emporia Compressor Station shall be issued pursuant to Va. Code § 56-265.2, upon the filing of the appropriate maps by the Company;

(2) That a certificate of public convenience and necessity to construct and operate the Boswell's Tavern Compressor Station and Western "C" Line Loop shall be issued pursuant to Va. Code § 56-265.2, after TCo's receipt of the appropriate regulatory approvals to provide service to Piedmont and upon the filing of the appropriate maps by the Company; and

(3) That this matter shall be continued until such time as the other appropriate regulatory approvals are received, and the appropriate maps filed, whereupon it will be dismissed by further Commission order.

CASE NO. PUE890072
APRIL 2, 1990

APPLICATION OF
COMMONWEALTH GAS PIPELINE CORPORATION

For a certificate of public convenience and necessity under the Virginia Utility Facilities Act

ORDER GRANTING CERTIFICATES

In its March 20, 1990 Memorandum Opinion and Final Order, among other things, the State Corporation Commission authorized the issuance of a certificate of public convenience and necessity to Commonwealth Gas Pipeline Corporation ("Pipeline" or "the Company") upon the

filing of appropriate maps, pursuant to Va. Code §§ 56-265.1, et seq. This certificate would authorize the Company to construct and operate a pipeline facility extending from its existing Petersburg Compressor Station to a compressor station in Emporia, Virginia (hereafter "Petersburg to Emporia Line"). In addition, the Commission authorized the issuance of a certificate to Pipeline to construct a new compressor station at Transcontinental Gas Pipe Line Corporation's ("Transco") delivery point in Emporia, Virginia (hereafter "Emporia Compressor Station"). The Commission also directed that a certificate of public convenience and necessity to construct and operate the Boswell's Tavern Compressor Station and Western "C" Line Loop be issued after Columbia Gas Transmission Corporation receives the appropriate regulatory approvals necessary to provide service to Piedmont Natural Gas Company ("Piedmont") and after Pipeline files the appropriate maps showing the location of these facilities.

On March 23, 1990, Pipeline filed the appropriate maps for the Petersburg to Emporia Line and Emporia Compressor Station facilities.

Accordingly, IT IS ORDERED:

(1) That certificates of public convenience and necessity be issued to the Company as follows:

Certificate No. GT-19b, for Prince George County, authorizing Commonwealth Gas Pipeline Corporation to construct and operate gas transmission lines and facilities as shown on the map attached thereto; said certificate to cancel and replace Certificate No. GT-19a, issued on February 28, 1977, to CNG Transmission Company;

Certificate No. GT-22c, for Sussex County, authorizing Commonwealth Gas Pipeline Corporation to construct and operate gas transmission lines and facilities as shown on the maps attached thereto; said certificate to cancel and replace Certificate No. GT-22b, issued on February 28, 1977, to CNG Transmission Company;

Certificate No. GT-52a, for Greensville County, authorizing Commonwealth Gas Pipeline Corporation to construct and operate gas transmission lines and facilities as shown on the map attached thereto; said certificate to cancel and replace Certificate No. GT-52 issued on February 28, 1977, to CNG Transmission Company;

Certificate No. GT-58, for Dinwiddie County, authorizing Commonwealth Gas Pipeline Corporation to construct and operate gas transmission lines and facilities as shown on the map attached thereto; and

(2) That this matter shall be continued until such time as the other appropriate regulatory approvals are received and proof of such approvals together with the appropriate maps are filed with the Commission.

CASE NO. PUE890072
NOVEMBER 29, 1990

APPLICATION OF
COMMONWEALTH GAS PIPELINE CORPORATION

For a certificate of public convenience and necessity under the Virginia Utility Facilities Act

ORDER GRANTING CERTIFICATES

In its March 20, 1990 Memorandum Opinion and Final Order, among other things, the State Corporation Commission ("Commission") authorized the issuance of certificates of public convenience and necessity for the Boswell's Tavern Compressor Station and Western "C" Line Loop to Commonwealth Gas Pipeline Corporation ("Pipeline" or "the Company") upon the occurrence of certain events. Specifically, the Commission directed that certificates of public convenience and necessity to construct and operate the Boswell's Tavern Compressor Station and Western "C" Line Loop be issued after Columbia Gas Transmission Corporation ("TCo") received the appropriate regulatory approvals necessary to provide service to Piedmont Natural Gas Company ("Piedmont") and after Pipeline filed appropriate maps showing the location of these facilities with the Division of Energy Regulation.

By letter dated November 13, 1990, Pipeline, by counsel, advised that it had received emergency temporary authority from the Federal Energy Regulatory Commission ("FERC") authorizing the sale of 20 Mdth/d of natural gas to Piedmont beginning November 1, 1990. On November 1, 1990, Pipeline filed the appropriate maps for the Boswell's Tavern Compressor Station and Western "C" Line Loop facilities.

NOW THE COMMISSION, upon consideration of the foregoing and having been advised by its Staff, is of the opinion and finds that the temporary emergency authority granted by FERC to TCo authorizing TCo to provide sales service to Piedmont is sufficient regulatory approval to go forward with the issuance of certificates of public convenience and necessity. We further find that Pipeline has now filed appropriate maps for these facilities.

Accordingly, IT IS ORDERED:

(1) That certificates of public convenience and necessity be issued to the Company as follows:

Certificate No. GT9-b, cancelling and replacing Certificate No. GT9-a, which authorizes CNG Transmission Company, Pipeline's predecessor, to own and operate gas transmission lines and facilities in Albermarle County;

Certificates No. GT-12b cancelling and replacing Certificate No. GT-12a which authorizes CNG Transmission Company, Pipeline's predecessor, to own and operate gas transmission lines and facilities in Greene County;

Certificates No. GT-15d cancelling and replacing Certificate No. GT-15c which authorizes CNG Transmission Company to own and operate natural transmission lines and compressor facilities in Louisa County; and

Certificate No. GT-18b cancelling and replacing Certificate No. GT-18a which authorizes CNG Transmission Company to own and operate gas transmission lines and facilities in Orange County.

(2) That a copy of this Order, together with the certificates of public convenience and necessity issued herein, be made a part of Case File No. 12051, which is lodged in the Commission's Division of Energy Regulation; and

(3) That there being nothing further to be done herein, this matter be hereby dismissed.

CASE NO. PUE890073
DECEMBER 28, 1990

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

To amend certificates of public convenience and necessity authorizing transmission lines and facilities in the County of Charles City (Certificate No. ET-71f), in the County of Chesterfield (Certificate No. 73-p), and in the County of Henrico (Certificate No. ET-86k): Chesterfield-Chickahominy 230 kV Transmission Line

ORDER GRANTING APPLICATION

Before the Commission is Virginia Electric and Power Company's ("Virginia Power" or "Company") application to amend its certificates of public convenience and necessity for the counties of Charles City, Chesterfield, and Henrico to authorize the construction and the operation of a single-circuit 230 kV transmission line. The Company proposes to build the line from its Chesterfield Substation, Chesterfield County, to its Chickahominy Switching Station, Charles City County, transiting Henrico County. As explained below, we will grant this application, with certain conditions and modifications.

From the Chesterfield Substation, Virginia Power proposed three alternate routes: two western routes in proximity to I-295 and the I-295 James River Bridge and an eastern route crossing the James River at Bermuda Hundred and passing through Curles Neck. The two western routes and the eastern route would join an existing right-of-way to complete the line to the Chickahominy Switching Station. Virginia Power considered the eastern route preferable. After notice to the public of this application, hearings were held on March 20, April 25-27, and May 10-11, by Hearing Examiner Glenn P. Richardson. The application was protested by Curles Neck Farm and Dairy, Inc. ("Curles Neck"), Louis C. Aigner and Susie B. Aigner, the County of Chesterfield, and Varina-on-the James, LP and the Estate of Irene S. Stoneman. In addition, twenty-one interveners appeared at the hearings and commented on the application.

In his Report filed September 21, 1990, Examiner Richardson recommended that the Commission grant the application and authorize Virginia Power to construct the transmission line along the eastern route from Bermuda Hundred across Curles Neck, with conditions. He recommended that the line be routed as far west as possible through Curles Neck Swamp and that Virginia Power, "take all steps possible, short of undergrounding the line, to mitigate the line's impact in this area." Next, the Examiner recommended that the line be routed immediately adjacent to an existing distribution line around Point Bremo on Curles Neck Farm and that the Company consider overbuilding this existing distribution line to reduce the environmental impact. Finally, the Examiner recommended that Virginia Power conduct an archaeological survey of the proposed route through Curles Neck Farm. In recommending approval of the preferred route south of the James River, in Chesterfield County, the Examiner noted that Virginia Power had modified this route during the hearing.

In response to the Report, only Virginia Power and Curles Neck filed comments. Virginia Power supported Examiner Richardson's conclusions and agreed to his recommendations on shifting portions of the line on Curles Neck and conducting an archaeological survey. Virginia Power stated in its comments that it could locate the transmission line adjacent to the distribution line at Point Bremo, but overbuilding would require increasing the height of supporting structures by six feet.

In its comments, Curles Neck excepted to Examiner Richardson's findings that the public convenience and necessity required the line and that existing rights-of-way were inadequate to serve Virginia Power's needs. Curles Neck also contended that the record did not support Examiner Richardson's findings that the recommended route would minimize any adverse environmental impact. For those reasons, Curles Neck urged the Commission to deny the application or to approve a routing to the west of Curles Neck Farm.

The Commission has considered the record, Examiner Richardson's report, and the comments on the report. We adopt the Examiner's findings and recommendations, and we will grant the application with the modifications recommended in Examiner Richardson's report.

In reaching this conclusion, the Commission finds that the record does not support Curles Neck's contentions that Virginia Power did not establish a need for the proposed line and did not demonstrate the inadequacy of existing rights-of-way. In its comments on the Examiner's Report, Curles Neck argues that the record does not show that Virginia Power's existing 115 kV transmission Line No. 100 between Chesterfield Substation and Locks Substation is overloaded. As partial justification for this project, Virginia Power proposes to shift a portion of the load carried by Line No. 100 to the proposed 230 kV transmission line which would run from the Chesterfield Substation across the James River to the Chickahominy Switching Station. While we agree with the Examiner that the record does show that there is a need for additional capacity to relieve Line No. 100, we also agree that Virginia Power's evidence as to load projections for Line No. 100 was incomplete.

According to the record, Line No. 100 has a summer capacity rating of 131 MVA, and actual summer loads for 1987, 1988, and 1989 have been in excess of this rated capacity. The Company explained that, although Line No. 100 experienced loads in excess of its rated capacity, contingency situations had not occurred during a peak load condition. The record also showed that there were a number of major industrial customers served by Line No. 100 and that the area was experiencing growth in commercial and residential load. It would not be in the public interest to risk the reliability of electric service to these customers. We find that the evidence is sufficient to establish the need for additional transmission capacity to relieve load on Line No. 100. Again, we must state that we agree with the Examiner's criticisms of Virginia Power's case set out in his Report.

Curles Neck goes on to argue in its comments on the Examiner's Report that even if additional capacity is needed for the area served by Line No. 100, this capacity can be provided by modifications of that line. Capacity could be increased by replacing the existing conductors with higher capacity conductors and continuing operations at 115 kV. The Examiner addressed at considerable length these options, and we agree with his analyses and findings. Reconductoring existing Line No. 100 would only be an interim solution to meet the growing load. The Company, and ultimately, ratepayers, would bear considerable expense for an interim solution which would still leave the area served by a less reliable and less efficient 115 kV system. Reconductoring Line No. 100 would also require construction of a new substation with remote distribution feeders to serve the increasing load around Enon. As the Examiner found, this would reduce the efficiency of the system.

Curles Neck acknowledges in its comments on the Report that additional capacity is needed to relieve Line No. 287 running between Chesterfield Substation and Chickahominy Switching Station and already spanning the James River upstream from the proposed crossing. Curles Neck advocates reducing the sag between towers to increase Line No. 287's rated capacity from 339 MVA to approximately 544 MVA. Reducing the sag in Line No. 287 and reconductoring Line No. 100 would, according to Curles Neck, provide sufficient capacity and utilize the existing rights-of-way occupied by these two lines.

Like the reconductoring of Line No. 100, this option would provide only a short-term solution to Virginia Power's capacity needs. The proposed project would provide a new line rated at 724 MVA in addition to the 339 MVA capacity provided on existing Line No. 287 while increasing the tension on existing Line No. 287 would provide only approximately 205 MVA in additional capacity. Without the proposed project, Virginia Power would have only one transmission facility for bulk transfers between the Chesterfield Substation and the Chickahominy Switching Station. The record showed that a loss of structure or other failure along Line No. 287 could interrupt power transfers to Eastern Virginia. Examiner Richardson found, and we agree, that modifying Line Nos. 100 and 287 and thus using existing rights-of-way is not a viable solution and that Virginia Power must construct a new line to assure adequate and reliable transmission capacity.

The record shows that Curles Neck Farm has environmental value, and the owners have made great efforts to preserve and to enhance the value of Curles Neck as an open space and a habitat for wildfowl. The Commission acknowledges these facts. Accordingly, we believe that Virginia Power must make every effort to minimize adverse impact during construction of this line. We will direct Virginia Power to consult with Curles Neck during planning and construction of the segment of the line over Curles Neck Farm. We will also direct Virginia Power to consult with Curles Neck on the alternatives of overbuilding the existing distribution line at Point Bremo or building the transmission line adjacent to the distribution line. Virginia Power and Curles Neck should cooperate on these matters. As recommended by Examiner Richardson, we will also require Virginia Power to undertake an appropriate archaeological survey of the route through Curles Neck Farm and to cooperate in appropriate preservation, excavation or study of any significant findings.

The Commission has held in prior cases, and we repeat here, that our grant of a certificate of public convenience and necessity does not exempt a utility from any applicable state and federal laws and regulations protecting the environment. We expect Virginia Power to secure all necessary approvals from, and to comply with all requirements imposed by, appropriate agencies. In particular, we expect Virginia Power to adhere strictly to all requirements for construction in wetlands and for protection of endangered or threatened species. Virginia Power should consult with appropriate agencies and incorporate into its efforts any guidance offered.

In conclusion, the Commission finds that Virginia Power has established that the public convenience and necessity require construction of the proposed transmission line. We further find that the proposed route for the transmission line, as modified herein, will minimize adverse environmental impact as required by § 56-46.1 of the Code.

ACCORDINGLY, IT IS ORDERED:

(1) That this application of Virginia Power, pursuant to §§ 56-46.1 and 56-265.2 of the Code of Virginia, be granted as amended by this order;

(2) That, upon issuance of appropriate certificates of public convenience and necessity, Virginia Power be authorized to construct and to operate a single circuit transmission line at 230 kV from its Chesterfield Substation, Chesterfield County, to its Chickahominy Switching Station, Charles City County, along the route approved by this order;

(3) That, forthwith upon receipt of this order, Virginia Power shall file maps showing revisions in routing ordered above so that appropriate certificates of public convenience and necessity may be issued;

(4) That the transmission line shall be routed as far west as possible through Curles Neck Swamp; and that it be routed immediately adjacent to the existing distribution line in the area around Point Bremo, with overbuilding of that existing line if preferable.

(5) That Virginia Power shall consult with Curles Neck in all phases of planning and construction on Curles Neck Farm, including, but not limited to, the placement of supporting structures, the realignment of the transmission line as directed herein through Curles Neck Swamp and around Point Bremo, and the reduction of impact on other activities conducted on Curles Neck Farm during construction of the line;

(6) That prior to construction of facilities, Virginia Power shall conduct an appropriate archaeological survey of the route through Curles Neck Farm and that, in the event significant artifacts or sites are found, Virginia Power shall consult with appropriate state officials on preservation, excavation, or study of these findings and that Virginia Power revise its construction schedule to allow sufficient time for such activities.

CASE NO. PUE890075
MAY 25, 1990

APPLICATION OF
VIRGINIA ELECTRIC & POWER COMPANY

To review charges and payments for cogenerators and small power producers - 1990

FINAL ORDER

Before the Commission is the application of Virginia Electric & Power Company ("Virginia Power or Company") to revise its charges, payments and related terms and conditions for cogenerators and small power producers ("qualifying facilities" or "QFs") for the year 1990. These charges, payments and related terms are governed by the Company's Schedule 19. Virginia Power made this filing as directed in our last proceeding addressing Schedule 19, Commonwealth of Virginia, ex rel. State Corporation Commission Ex Parte, in re: Adopting Appropriate Methodology for use in Calculating, Pursuant to PURPA, the Schedule 19 Avoided Costs of Virginia Electric & Power Co., 1988 S.C.C. Ann. Rep. 301, Reconsideration Order (Jan. 20, 1989), aff'd. sub nom. Cargill, Inc. v. Virginia Electric & Power Co., No. 890093 (Va. Sup. Ct. Nov. 10, 1989), reh'g. denied (Jan. 12, 1990) (hereinafter Case No. PUE870081). In Case No. PUE870081, the Commission adopted a revised methodology for Virginia Power to use in computing its avoided costs pursuant to Section 210 of the Public Utility Regulatory Policies Act ("PURPA"), 16 U.S.C. § 824a4-3 (1982 & Supp. V. 1987). We also established procedures for annual revision, based on these avoided costs, of the Company's energy and capacity payments made to qualifying facilities with dependable capacity of 3,000 kW or less. By order entered October 23, 1989, the Commission established a proceeding to investigate revisions which Virginia Power proposed for its Schedule 19. We authorized the proposed revisions to become effective January 1, 1990, on an interim basis pending entry of a final order in this proceeding.

On April 18, 1990, Hearing Examiner Glenn P. Richardson filed his report recommending that the Commission adopt a settlement negotiated by the Company, various industrial cogenerators, and the Commission Staff. The only other party to the proceeding, protestant Virginia Committee for Fair Utility Rates ("Committee"), did not join in the stipulation, but the Committee did not oppose the proposed settlement. For the reasons explained below, the Commission adopts in full the report of Examiner Richardson.

In his report, Examiner Richardson makes recommendations in three separate areas. First, he recommends that the interim Schedule 19 be made permanent after incorporating energy payments and capacity payments negotiated by the parties. The permanent schedule would also reflect agreement on testing of hydroelectric facilities. The Examiner next recommends that Virginia Power revise Schedule 19 biennially instead of annually as ordered in Case No. PUE870081. Finally, Examiner Richardson recommends that the Company, the Staff, and interested parties study certain issues arising out of the application of the methodology adopted in Case No. PUE870081 and the development of payments for QFs using the results of that methodology. These matters would be addressed in Virginia Power's next Schedule 19 revision.

Turning first to the negotiated payments and testing procedures, the Commission agrees with the Examiner that the record supports the reasonableness of the payments and the terms arrived at by various negotiations among the parties. Accordingly, we shall order Virginia Power to file a permanent Schedule 19 reflecting the revisions in energy and capacity payments. The Company will also revise the language on testing for dependable capacity from hydroelectic facilities, as agreed by the parties. The parties also agreed that the revised payments would be effective as of January 1, 1990. Since these payments are higher than the payments set out in the interim schedule which became effective on January 1, 1990, we will order Virginia Power to make promptly any additional payments resulting from the retroactive increase. We shall also direct Virginia Power to make any necessary contractual modifications to reflect the revision of energy and capacity payments and the testing for dependable hydroelectric capacity, as set out in the permanent Schedule 19 approved in this order.

The Examiner also accepted the agreement of the parties to alter the schedule for revision of Schedule 19 and recommended that the Commission authorize the Company to make revisions in alternate years. In light of the current status of PURPA implementation in Virginia, we will adopt the recommendation to move revision of Schedule 19 to a biennial schedule coinciding with the filing of Virginia Power's 20-year forecasts and resource plans. The next filing of these forecasts and resource plans is now scheduled for July 31, 1991.

We find biennial filing appropriate under present circumstances, however, the Commission must note that developments at the Federal Energy Regulatory Commission and in our pending proceedings may require us to revisit that filing schedule. In 1988, the FERC initiated a series of rulemaking proceedings addressing the implementation of PURPA and related issues. The FERC has taken no final action in any of these proceedings. We have also initiated two proceedings which might, when concluded, have some bearing on the manner and timing of Virginia Power's revisions to its Schedule 19: Commonwealth of Virginia, ex rel. State Corporation Commission Ex Parte, in re: Investigation of the Standards for Evaluating Fuel Costs Projections of Electric Utilities, Case No. PUE900004; and Commonwealth of Virginia, ex rel. State Corporation Commission Ex Parte, in re: Adopting Commission Rules for Electric Capacity Bidding Programs, Case No. PUE900029. While we do not speculate on FERC actions or prejudge our own, the rapid pace of developments in this area of the law could require alteration of the biennial schedule of revisions to Schedule 19.

Finally, the Examiner recommended that the Company, the Staff, and interested parties study various issues arising out of the methodology approved in Case No. PUE870081 and the development of avoided capacity and energy payments. The Commission adopts this recommendation. Accordingly, we will instruct the Commission's Divisions of Energy Regulation and Economic Research and Development to initiate discussions and studies with Virginia Power on the identified issues. We agree with the Examiner that interested parties should have an opportunity to participate in these discussions. We expect the Company and the Staff to address these matters in testimony and exhibits filed in the next Schedule 19 proceeding.

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 - 1990/91 bearing an effective date of January 1, 1990, and conforming the conclusions and finding made above;

(2) That, within twenty one (21) days of the date of this order, Virginia Power shall make any additional payments resulting from the revisions in the firm energy purchase payments and capacity payments set out in Schedule 19 - 1990/91 approved above from the firm energy purchase and capacity payments allowed to take effect on an interim basis on January 1, 1990;

(3) That, within twenty one (21) days of the date of this order, Virginia Power shall make any revisions in any contracts with qualifying facilities having a maximum reliable capacity of 3,000 kW reflecting the terms, charges, and payments set out in Schedule 19 - 1990, effective January 1, 1990, on an interim basis, to reflect the revisions approved above. Any such revisions shall be filed in conjunction with Virginia Power's next annual filing of contracts with qualifying facilities (now scheduled for April 1, 1991);

(4) That, on or before December 1, 1990, and on or before December 1 of each year thereafter, Virginia Power shall file with the Commission and provide to each affected qualifying facility revised schedules of firm energy payments effective on the following January 1 for contracts negotiated while Schedule 19 - 1989, as approved in Case No. PUE870081, was in effect. Such Schedules shall show revised projected fuel costs;

(5) That, on or before December 1, 1991, and on or before December 1 of alternate years thereafter, Virginia Power shall file with the Commission and provide to each affected qualifying facility revised schedules of firm energy payments effective on the following January 1 for contracts negotiated while Schedule 19 1990/91, approved in this Case No. PUE890075 is in effect; such Schedules shall show revised projected fuel costs;

(6) That the Divisions of Economic Research and Development and Energy Regulation and appropriate representatives of Virginia Power shall consult on the issues identified by the parties, and any related issues; the Divisions of Energy Regulation and Economic Research and Development and Virginia Power shall make reasonable efforts to include protestants in this proceeding and any other interested party in any discussions and studies; Virginia Power and Staff shall address these issues and any resolution in their testimony filed in the next proceeding addressing revision of charges and payments for qualifying facilities;

(7) That, unless otherwise directed by the Commission, Virginia Power shall file its next proposed revision to charges and payments for qualifying facilities simultaneously with the filing of its next 20-year forecast and resource plan;

(8) That, this matter be dismissed from the Commission's docket of active cases and the papers herein be transferred to the files for ended matters.

CASE NO. PUE890077
FEBRUARY 6, 1990

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

To revise its tariffs

FINAL ORDER

On November 3, 1989, Virginia Natural Gas, Inc. ("VNG" or "the Company") filed an application with the State Corporation Commission to revise VNG's Rate Schedule No. 6, a flexible, interruptible gas sales tariff. VNG's Rate Schedule No. 6 made reference to Commonwealth Gas Pipeline Corporation's ("Pipeline") Rate Schedule CD-1, which has been withdrawn. Therefore, VNG proposed to delete the words ". . . purchased commodity cost of gas under Commonwealth Gas Pipeline Corporation's Rate Schedule CD-1" found in § II.A.1 of Rate Schedule No. 6 and substitute the words ". . . estimated weighted average commodity cost of gas. . . ." VNG also proposed to make conforming wording changes to substitute the name "Virginia Natural Gas" for "Suffolk Gas Company" where appropriate. The Company asked that its revised rates become effective in its Suffolk District without suspension, pursuant to Va. Code § 56-240, so that VNG would have a means of calculating bills for its Suffolk Division interruptible gas sales customers.

On November 13, 1989, the Commission entered an Order which docketed the application; permitted VNG's tariff revisions to become effective on an interim basis, subject to refund, for all bills rendered on and after November 13, 1989; required the Company to give public notice; and invited interested persons to file written requests for hearing or comments on the application with the Clerk of the Commission on or before January 31, 1990. No comments or requests for hearing were received.

NOW THE COMMISSION, upon consideration of the application filed herein, is of the opinion and finds that VNG should be permitted to make its proposed tariff revisions which became effective on on interim basis on November 13, 1989, permanent, and that this matter should be dismissed from the Commission's docket of active cases.

Accordingly,

IT IS ORDERED:

(1) That VNG's tariff revisions filed in the captioned matter which became effective on an interim basis, subject to refund, for bills rendered on and after November 13, 1989, shall be made permanent; and

(2) That there being nothing further to be done herein, the same is hereby dismissed.

CASE NO. PUE890081
JULY 3, 1990

APPLICATION OF
BARC ELECTRIC COOPERATIVE

To revise its tariffs

FINAL ORDER

On November 20, 1989, BARC Electric Cooperative ("BARC" or "the Cooperative") filed a general rate application with the State Corporation Commission. In its application, BARC proposed to increase its gross annual operating revenues, after the roll-in of Rider OD-7, by $592,703, or 6.76% of its total operating revenues. The Cooperative filed financial data for the twelve months ending June 30, 1989, in support of its application.

In addition, BARC proposed to revise portions of its rate schedules and its terms and conditions of service. Specifically, the proposed revisions included, but were not limited to, the following: a proposal to increase the Cooperative's residential facilities charge from $7.50 to $10.00, to revise energy charges for its Rural Electric Residential Service, to increase the commercial and small power service facilities charge and three-phase charge from $7.50 to $10.00, to revise the energy charges on the Commercial and Small Power Service Schedule, to increase the service charge for the Large Power Service Schedule from $15 to $20 and the KW demand charge from $7.00 to $8.50, to revise the energy charges for its Large Power Service Schedule, and to revise its charges for Schedule Y, Yard Lighting Service.

On December 12, 1989, the Commission issued an order which suspended BARC's rates through April 19, 1990, set the matter for hearing on March 29, 1990, before a hearing examiner, and established a procedural schedule for the Cooperative, Protestants, and Staff.

On the appointed day, the matter came to be heard by Russell W. Cunningham, Senior Hearing Examiner. Counsel appearing were William B. McClung, Esquire, counsel for BARC, and Sherry H. Bridewell, counsel for the Commission Staff. No protestants or public witnesses appeared. The Cooperative agreed with all of Staff's rate design, revenue allocation, and cost-of-service study recommendations, as revised at the time of the hearing. Staff amended its recommendation regarding BARC's cost-of-service study to propose that the Cooperative file that study as part of its next general rate case rather than as part of any expedited rate filing it might make. Specifically, the Cooperative accepted the following Staff recommendations:

1. That the Cooperative specify the regular working hours applicable to service connection and reconnection charges in its terms and conditions of service since it proposed to vary these charges, depending on whether these services were performed during normal working hours or outside of normal working hours;

2. That BARC identify its nonjurisdictional consumers in any future general rate filing and in its next cost-of-service study;

3. That BARC correct its wholesale power cost adjustment clause as shown on Attachment 3 to Staff witness Henderson's testimony;

4. That the Cooperative modify Section 4, labeled "Installation Charges," of its Yard Lighting Schedule to more accurately describe the costs associated with the costs of making installations;

5. That the Cooperative modify the "Term of Contract" portion of Section 7 of its Large Power Schedule to require a minimum term of twelve months in its next rate filing;

6. That the Cooperative recover its proposed revenue through the rates set out in Attachment 7 to Staff Witness Henderson's prefiled direct testimony; and

7. That increases in the revenues to be recovered from the Large Power and the Commercial and Small Power rate schedules be held at levels equivalent to the current rates of return for those classes.

In addition, the Cooperative agreed to accept all of Staff's accounting adjustments, with the exception of Staff's adjustment No. 31. Staff adjustment No. 31 included a level of interest expense associated with the most recent statement of loan drawdowns as of the time of the Staff's audit. In contrast to the Staff's approach, BARC included interest in its adjustment for interest expense which related to loans which have not been drawn down by the Cooperative.

By agreement of counsel and with the concurrence of the Hearing Examiner, the prefiled direct testimony of the Cooperative witnesses Landes, Hively, and Cope and Staff witness Henderson were received into the record without cross-examination. Company witness Mitchell, and Staff witness Brown took the stand to address the issue of the appropriate level of interest to be included in the calculation of an interest coverage ratio ("TIER") for BARC.

At the conclusion of the proceeding, the Hearing Examiner issued his report from the bench. The Examiner accepted the Staff's rate design and accounting recommendations which were not in controversy, but agreed that for the purposes of this case, it was appropriate to include the projected interest on loans, which have not yet been drawn down, as part of the calculation of BARC's TIER. The Examiner invited the participants in the proceeding to file comments on his report within fifteen days of the Report's inclusion in and filing of the transcript to the proceeding.

On May 2, 1990, BARC, by counsel, filed its response to the Hearing Examiner's Report. In its response, BARC noted that it was in agreement with the findings of fact and conclusions of law found in the March 29, 1990 Report. It requested that the Commission adopt the recommendations of the Examiner.

FINDINGS OF FACT

NOW, having considered the record, the Hearing Examiner's report, the responses thereto, and the applicable statutes, the Commission finds that the recommendations found in the March 29, 1990 Hearing Examiner's Report should be adopted. Specifically, we find as follows:

(1) That the twelve months ended June 30, 1989, is an appropriate test period;

(2) That the Staff's accounting adjustments, with the exception of its adjustments to exclude interest on projected financing, are reasonable and should be adopted. A discussion of the proforma interest issue follows on page 7, infra;

(3) That the Cooperative's total operating revenues, after all adjustments, for the test period were $8,837,174;

(4) That BARC's operating revenue deductions, after all adjustments, were $7,670,882;

(5) That the Cooperative's operating margins, adjusted for the test period, were $1,166,292, and its total margins, adjusted for the test period, were $565,303;

(6) That, during the test period, the Cooperative earned a gross TIER of 1.74, after adjustments, and after removing noncash capital credits, a modified TIER of 1.62, after adjustments;

(7) That the Cooperative's requested increase in additional gross annual revenue of $592,703 is just and reasonable, and this additional increase should be recovered from rates designed in accordance with Attachment 7 to Exhibit RMH-5;

(8) That, consistent with the recommendations made in Exhibit RMH-5 by Staff witness Henderson, the Cooperative should, in its next general rate case, identify nonjurisdictional consumers and account for service to these consumers in such a manner that they can be separately identified. In addition, the Cooperative should file a cost-of-service study as part of its next general rate case;

(9) That BARC should correct its wholesale power cost adjustment clause as indicated by Attachment 3 to Exhibit RMH-5;

(10) That the Cooperative should modify Section 4, "Installation Charges" for its Yard Lighting Schedule to correctly describe the cost of installation. Specifically, this section should be revised, as recommended by Staff witness Henderson, to read:

> If the applicant requests a light installation which cannot be provided from the Cooperative's existing facilities, the Cooperative will install one pole at a cost of $50 and required anchor guys at a cost of $10 each. When it is necessary to install more than one pole to service a light, the applicant will be required to pay $50 for the pole on which the light is to be mounted, plus the estimated cost of any additional facilities. Such charges are to be paid prior to installation of the light;

(11) That, consistent with the Staff's recommendations found at page 9 of Exhibit RMH-5, Section 7 of the Large Power Schedule, dealing with "Term of Contract," should be modified from an open order availability term to a required minimum term of 12 months in BARC's next rate filing;

(12) That increases in BARC's Large Power and Commercial and Small Power revenues be held at levels equivalent to the current rate of returns shown on Attachment 6 to Exhibit RMH-5; and

(13) That the Cooperative should specify in its terms and conditions of service the regular working hours applicable to service connection and reconnection charges since BARC proposes to vary these charges, depending on whether these charges are performed during normal working hours or outside of normal working hours.

PROFORMA INTEREST ISSUE

With respect to the proforma interest expense issue, we note that Rule 11(b), promulgated in 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, 1985 S.C.C. Ann. Rep. 430, 432, limits the amount of interest expense to be included in the calculation of a Cooperative's interest coverage ratio ("TIER") in an expedited case. In an expedited rate application, a cooperative may include only the amount of total long term interest expense expected to be incurred during the twelve-month period subsequent to the test period in its interest coverage calculation. We expect this rule to continue to apply in expedited proceedings. Expedited proceedings are limited issue rate proceedings, and thus a limitation on the amount of interest which may be included in the computation of TIER in those proceedings is appropriate.

However, Rule 11(b) does not restrict the interest expense which may be included as part of a general rate application. In considering the issue whether interest expense may be projected, proper attention must focus on the fact that electric distribution cooperatives are owned by and exist for the benefit of their consumer-members. Indeed the statutory purpose for which an electric cooperative may be organized is to promote and encourage ". . . the fullest possible use of electric energy by making electric energy available at the lowest cost consistent with sound economy and prudent management of the business of such cooperative." Va. Code § 56-210. Consistent with the statutory purpose expressed by § 56-210 is the specific "just and reasonable" standard applicable to an electric cooperative's rates for electric service. This standard, articulated in Va. Code § 56-226, focuses upon the assurance that the rates for electric service " . . . shall produce an income sufficient to maintain such cooperative property in a sound physical and financial condition to render adequate and efficient service."

In light of these statutory objectives, we find that in general rate proceedings, a cooperative should be allowed to include as part of its interest expense on long-term debt, the interest associated with financing approved by the Rural Electrification Administration as part of the Cooperative's two-year workplan for the construction of electric plant. In addition, the plant with which the federally approved construction is

associated must have been completed and be in service during the proforma year, i.e., the twelve months following the test year. In this way, an electric cooperative will be able to pay its interest charges on bonds or other obligations and provide for the liquidation of bonds or other evidences of indebtedness, as required by Va. Code § 56-226. In addition, this approach will encourage cooperatives to make electric energy available to its membership by constructing and extending facilities to provide electric service as the demand for electric service grows.

The record in this case indicates that BARC has satisfied the foregoing standard. We agree with the Hearing Examiner that it is appropriate for BARC to include interest on projected financing, which meets the standard set out above, as part of its interest coverage calculation in this case.

ACCORDINGLY, IT IS ORDERED:

(1) That BARC is hereby authorized to implement the rates set out in Attachment 7 to Exhibit RMH-5, in order to have the opportunity to recover $592,703 in additional gross annual revenues, said rates to become effective for service rendered on and after the date of the issuance of this order;

(2) That BARC shall file a cost-of-service study as part of its next general rate case, and as part of that study shall identify nonjurisdictional consumers and account for service to these consumers in such a manner that they can be separately identified;

(3) That BARC shall correct its wholesale power cost adjustment clause as indicated by Attachment 3 to Exhibit RMH-5;

(4) That the Cooperative shall modify Section 4, "Installation Charges" for its Yard Lighting Schedule as follows:

> If the applicant requests a light installation which cannot be provided from the Cooperative's existing facilities, the Cooperative will install one pole at a cost of $50 and required anchor guys at a cost of $10 each. When it is necessary to install more than one pole to service a light, the applicant will be required to pay $50 for the pole on which the light is to be mounted, plus the estimated cost of any additional facilities. Such charges are to be paid prior to installation of the light;

(5) That Section 7, labeled "Term of Contract," found in the Large Power Schedule, shall be modified from an open order availability term to a required minimum term of 12 months in BARC's next rate filing;

(6) That increases in BARC's Large Power and Commercial and Small Power revenue shall be held at levels equivalent to the current rate of return levels applicable to those classes as shown on Attachment 6 to Exhibit RMH-5;

(7) That BARC shall specify in its terms and conditions of service the regular working hours applicable to its service connection and reconnection charges; and

(8) That there being nothing further to be done herein, the same is hereby dismissed.

CASE NO. PUE890083
MARCH 15, 1990

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

To revise its tariffs

FINAL ORDER

On November 29, 1989, Virginia Natural Gas, Inc. ("VNG" or "the Company") filed an application with the State Corporation Commission to revise Section XX of its terms and conditions of service, effective for the billing month of December 1989, and thereafter. Specifically the Company proposed to revise the first and second lines of paragraph A.3.a.i. of Section XX by deleting the words ". . . D-1 demand under Rate Schedule CD-1 of Commonwealth Gas Pipeline Corporation (CGP) . . .," and substituting the words ". . . daily demand under upstream pipeline sales and transportation rate schedules, . . ." VNG also proposed to delete the words ". . . rate of CGP . . ." in the seventh line of paragraph A.3.a.i of Section XX and substitute the words ". . . rates of the upstream pipelines . . ." In its application, VNG stated that it had to make these revisions to its tariffs because Commonwealth Gas Pipeline Corporation ("Pipeline") no longer sells natural gas and has terminated its Rate Schedule CD-1.

On November 30, 1989, the Commission entered an order which, among other things, required VNG to give the public notice of its application. This Order also invited interested persons to comment in writing on VNG's application or to request a hearing by February 21, 1990. It permitted VNG's proposed tariff revisions to become effective on an interim basis, subject to refund, for all bills rendered on and after November 30, 1989.

The City of Virginia Beach initially requested a hearing but later formally withdrew its request by letter dated March 12, 1990. No other requests for hearing or comments were filed.

NOW THE COMMISSION, upon consideration of VNG's application, is of the opinion and finds that VNG's proposed tariff revisions which became effective for bills rendered on and after November 30, 1989, should be made permanent, and that this matter should be dismissed.

Accordingly, IT IS ORDERED:

(1) That the tariff revisions filed in the captioned matter which became effective on an interim basis, subject to refund, for all bills rendered on and after November 30, 1989, are hereby made permanent; and

(2) That there being nothing further to be done herein, the same is hereby dismissed.

CASE NO. PUE890084
AUGUST 16, 1990

APPLICATION OF
SOUTHSIDE ELECTRIC COOPERATIVE, INC.

To revise its tariffs

FINAL ORDER

On December 4, 1989, Southside Electric Cooperative, Inc. ("Southside" or "the Cooperative") filed a general rate application with the State Corporation Commission ("Commission") for authority to increase its gross annual operating revenue by $2,068,801. The Cooperative also requested authority to revise its terms and conditions of service, including those relating to underground extensions for new secondary service. By Order dated December 28, 1989, the Commission docketed the captioned application, suspended the Cooperative's proposed tariff revisions for 150 days from the date the application was filed with the Commission through May 3, 1990, assigned a hearing examiner to the matter, set the application for hearing on April 12, 1990, and established a procedural schedule for the filing of pleadings and prepared testimony and exhibits.

On the appointed day, the matter came to be heard by Glenn P. Richardson, Hearing Examiner. Counsel appearing at the hearing were John M. Boswell, Esquire, for Southside, and Sherry H. Bridewell, Esquire, for the Commission's Staff. No protestants or intervenors appeared.

On May 1, 1990, the Cooperative, by counsel, notified the Commission of its intent to place the revised rate schedules as reflected in Exhibit No. SEC-1, into effect on an interim basis, subject to refund, for electric service rendered on and after May 3, 1990. In his ruling dated May 2, 1990, the Hearing Examiner directed Southside to file a bond with the Commissionand to keep accurate accounts of all amounts received under the tariffs which would become effective after expiration of the suspension period. In the same ruling, the Examiner prescribed the interest which would be applied in the event the Commission directed a refund of all or a part of the revenues recovered by the proposed schedule of rates permitted to become effective, subject to refund with interest. In a May 3, 1990 Ruling, the Examiner accepted the Cooperative's bond dated May 2, 1990, and directed that the bond be filed in the Office of the Clerk of the Commission.

On July 20, 1990, the Hearing Examiner filed his report in the captioned matter. In his report, the Examiner noted that the Cooperative agreed to accept Staff's accounting adjustments and its rate design, revenue apportionment, and revenue allocation recommendations with two exceptions. The Cooperative opposed Staff witness Gasch's accounting adjustment disallowing $142,361 of proforma interest expense on loans that had not been approved by the Rural Electrification Administration ("REA") and took issue with Staff witness Henderson's recommendation that the Commission reject Southside's proposal to provide the first 125 feet of new secondary underground service at no charge to the consumer. As part of the Cooperative's underground extension proposal, all actual costs beyond the 125 foot allowance would be paid by the member.

With respect to the proforma interest expense issue, the Examiner noted that Southside's loan had been approved by REA. He observed that the Commission had approved Southside's application to issue notes securing these loans in its July 5, 1990 Order Granting Authority, entered in Application of Southside Electric Cooperative, Case No. PUA900040. Citing the Commission's recent decision in its July 3 Final Order entered in Application of BARC Electric Cooperative, Case No. PUE890081, the Examiner found that Southside had met the standard employed by the Commission in that case for general rate applications regarding proforma interest expense. The BARC case held that a Cooperative must satisfy the following two-part standard if it wished to include interest on projected interest expense in its cost of service in a general rate case: (1) the debt financing must be approved by REA; and (2) the plant with which the federally approved construction is associated must be completed and in service during the proforma year. Application of BARC Electric Cooperative, Case No. PUE890081 at 8 (July 3, 1990 Final Order). In Southside's case, the Examiner found that the Cooperative's loan application and its two-year work plan had been approved by REA, and the plant with which the federally approved construction was associated would be in service by the end of the proforma year. The Examiner therefore accepted Southside's projected interest expense adjustment.

With respect to the underground extension issue, and after considering Commonwealth v. Appalachian Power Co., et al., 1966 S.C.C. Ann. Rept. 70 at 75; Application of Virginia Electric and Power Co., 1974 S.C.C. Ann. Rept. 155 at 159; and Commonwealth v. Virginia Electric and Power Co., 1988 S.C.C. Ann. Rept. 270 at 278, the Examiner observed that the following policy rule governing underground line extensions appeared to emerge from these cases. First, if underground service was more expensive than overhead service, the Commission's general rule appeared to be that the customer receiving an underground extension must pay the additional costs. The Examiner noted that the only exception to this general policy occurred if the utility could demonstrate that new underground extensions have become the "standard" for new residential construction in its service area. If this was the case, the Examiner noted that the Commission appeared to permit the utility to spread any additional costs of underground extensions to its general body of ratepayers. Applying this test to the record before him, the Examiner found that the Cooperative had not made a sufficient showing to justify its free allowance for underground extension policy. The record indicated that the average cost of residential extensions was $5.33 per foot for underground secondary line extensions versus $3.45 per foot for comparable overhead extensions. The Examiner further found that underground extensions had not become the standard for new residential construction in Southside's service area. Unlike the 1988 Virginia Power proceeding in which 70% of Virginia Power's new residential extensions were underground, only 41% of Southside's total connections, including residential connections, obtained underground service during the test period. Based on the foregoing, the Examiner recommended that the Commission reject Southside's proposal.

In addition, the Examiner found:

(1) The use of a test year ending September 30, 1989, is proper in this proceeding;

(2) All accounting adjustments made by Staff witness Gasch are just and reasonable and should be accepted, with the exception of adjustment No. 46 which disallows $142,361 in proforma interest expense on Southside's long-term proforma debt;

(3) Southside's net operating margins, after all adjustments, were $3,377,692, and its adjusted end of period rate base was $59,182,908. Adjusted test year operations therefore generated a 5.71% rate of return and a 1.22 TIER if noncash capital credits are excluded from margins;

(4) The proposed increase, placed into effect on an interim basis on May 3, 1990, is just and reasonable and should be made permanent. Based on test year operations, the increase will produce a 9.10% rate of return and a 1.89 TIER if noncash capital credits are excluded from margins;

(5) All accounting and booking recommendations proposed by Staff witness Gasch, and unopposed by Southside, are just and reasonable and should be implemented forthwith by Southside;

(6) Southside's proposed terms and conditions of service are just and reasonable and should be adopted, with the exception of its proposal to provide the first 125 feet of new underground extensions for secondary service at no cost. This proposal is contrary to current Commission policy since underground extensions remain substantially more costly than overhead extensions, and underground extensions have not yet become the standard for new residential construction in Southside's service area;

(7) The intercompany credit agreement between Southside and Southside Communications Cooperative should be revised to provide for a more accurate tracking and billing of hours worked by employees for both cooperatives. The agreement should also be revised and updated so that amounts can be charged on a fully distributed basis;

(8) Southside should conduct a full depreciation study, including an inventory of all plant accounts, and write off all items that are not inventoried but carried on its books; and

(9) Southside should file a cost-of- service study in its next general rate case with appropriate customer weighting for customer cost allocations and separation of jurisdictional and non-jurisdictional customers.

The Examiner recommended that the Commission enter an order adopting the findings in his Report, granting Southside an annual increase in operating revenues of $2,068,801, and dismissing the case from the docket of active Commission proceedings. He invited the Cooperative to file comments in response to his Report within fifteen days of the date of the Report's issuance.

No comments were filed in response to the Examiner's Report.

NOW THE COMMISSION, upon consideration of the record herein, the July 20, 1990 Hearing Examiner's Report, and the applicable statutes, is of the opinion and finds that the findings and recommendations of the Hearing Examiner are just and reasonable and should be adopted and that the revised schedule of rates and charges set forth in Exhibit No. SEC-1 which became effective on an interim basis, subject to refund, for service rendered on and after May 3, 1990, are just and reasonable and should be made permanent.

Accordingly, IT IS ORDERED:

(1) That the findings and recommendations set out in the July 20, 1990 Hearing Examiner's Report filed herein shall be adopted;

(2) That the Cooperative shall forthwith file with our Division of Energy Regulation permanent rates which shall conform to the schedule of rates and charges set out in Exhibit No. SEC-1, which became effective on an interim basis, subject to refund, for service rendered on and after May 3, 1990. These revised rates will afford the Cooperative the opportunity to recover, after considering Staff's accounting adjustments, an increase of approximately $2,068,801 in additional gross annual revenues;

(3) That, in accordance with Staff witness Gasch's recommendations found at pages 4 and 5 of Exhibit No. MG-10, the Cooperative shall forthwith accrue unbilled revenue monthly so that when a split test period is used, an adjustment for unbilled revenue will be unnecessary;

(4) That, in accordance with the recommendation found at page 5 of Exhibit No. MG-10, Southside shall discontinue the practice of booking revenue from sales of electricity, net of its margin stabilization refund. Specifically, the Cooperative shall debit A/C 232, Other Deferred Credits, and credit A/C 142, Customer Accounts Receivable, when its member's bill has been reduced by the margin stabilization refund. Purchased Power, A/C 555, shall also be recorded at gross and the refund received by Southside from Old Dominion Electric Cooperative ("ODEC"), one of Southside's power suppliers, shall be credited to A/C 146, Accounts Receivable - ODEC;

(5) That, in accordance with the recommendations found at pp. 5-6 of Exhibit No. MG-10, Southside shall forthwith track its actual margin stabilization refunds so that the amount refunded to its members can be easily ascertained rather than being estimated. The Cooperative shall also begin making the accounting entries relating to margin stabilization found in Appendix A to Exhibit No. MG-10;

(6) That, in accordance with the recommendation found at p. 7 of Exhibit No. MG-10, Southside shall not "gross up" its future rider calculations for special taxes;

(7) That, in accordance with the recommendation found at p. 8 of Exhibit No. MG-10, Southside shall forthwith audit the deferred fuel account for prior periods and book a correction to remove all effects to date of the Cooperative's inclusion of its wholesale power cost adjustment ("WPCA") clause twice in its purchased power expense. Cooperative shall implement a standard journal entry to defer the WPCA when the bill from ODEC is recorded. Southside shall debit A/C 186 Deferred Fuel, and credit A/C 232, Accounts Payable, for the WPCA portion of its bills from ODEC;

(8) That, in accordance with the recommendation found at p. 9 of Exhibit No. MG-10, Southside shall forthwith use "actual" billed fuel revenue as the basis for booking fuel recoveries to deferred fuel. In addition, the actual recovery position shall be used when calculating future differential factors;

(9) That, in accordance with the recommendation found at p. 10 of Exhibit No. MG-10, Southside shall forthwith revise its future billings to Southside Communications Cooperative to more accurately track and bill the actual hours worked by employees performing service for both cooperatives. In addition, the intercompany agreement between the two cooperatives shall be reviewed forthwith and updated so that amounts can be charged on a fully distributed basis;

(10) That, in accordance with the recommendation regarding amp meter registers found at p. 13 of Exhibit MG-10, the Cooperative shall forthwith book a regulatory asset of $6,577 and amortize this regulatory asset over two years, beginning May 1990;

(11) That, in accordance with the recommendation found at p. 15 of Exhibit MG-10, the Cooperative shall forthwith conduct a full depreciation study, including an inventory of all plant accounts. Any items still on the Cooperative's books and not inventoried by the Cooperative shall be written off by debiting accumulated depreciation and crediting plant accounts for the original cost;

(12) That, in accordance with the recommendation found at p. 16 of Exhibit No. MG-10, the Cooperative shall forthwith credit all interest earned from Southside Communications Cooperative to interest income;

(13) That the Cooperative shall forthwith discontinue booking revenue and expenses for Southside's kilowatt hours used and shall book this usage in accordance with the REA's recommended procedure described at p. 5 of Exhibit No. SWW-16;

(14) That all other booking and accounting recommendations, with the exception of Staff's recommended accounting treatment for projected interest expense as set out in Staff adjustment No. 46, shall be implemented forthwith by the Cooperative;

(15) That Southside shall file a cost of service study with the Commission as part of its next general rate application;

(16) That in future cost of service studies, including the one submitted as part of its next general rate application, Southside shall use customer weighting where appropriate to allocate customer costs to its rate classes and shall identify Southside's nonjurisdictional customers and show them separately in its studies; and

(17) That there being nothing further to be done herein, the same is hereby dismissed from the Commission's docket of active cases.

CASE NO. PUE890085
JUNE 29, 1990

APPLICATION OF
RESTON/LAKE ANNE AIR CONDITIONING CORPORATION

To revise its tariffs

FINAL ORDER

On December 13, 1989, Reston/Lake Anne Air Conditioning Corporation ("Applicant" or "Company") filed an application with the Commission to revise its tariffs. The Company proposed to increase its annual revenues by $11,034 or 3.5%, which is calculated to produce total annual revenues of $333,453. The Company also proposed to remove the cap on metered services, exclude all reference to the ratio between commercial and residential rates and reclassify apartment dwellers as residential customers. Applicant's customers have the option of being charged a flat rate ("BTU Load Rate") or having metered service with a cap set at the flat rate.

By Order dated January 4, 1990, the Commission docketed the matter, assigned a hearing examiner to the case, established a procedural filing schedule for pleadings, testimony and exhibits, and directed Company to give notice of its Application to the public. Pursuant to the Commission's Order for Notice and Hearing, both the County of Fairfax and Mr. Lothair H. Rowley filed Notices of Protest. The County of Fairfax subsequently withdrew its Notice on March 12, 1990.

On April 17, 1990, the matter was heard by Howard P. Anderson, Jr., Hearing Examiner. D. Patrick Lacy, Jr., appeared as counsel for the Company; Marta B. Davis appeared as counsel for the Commission Staff; Mr. Lothair H. Rowley appeared pro se. Four public witnesses testified in support of the proposed residential rates for condominiums. One public witness opposed the removal of the cap on metered rates. Mr. Douglas A. Cobb, President of Reston/Lake Anne Air Conditioning Corporation, presented testimony on behalf of the Company. A. Alan Baird, an Associate Utilities Specialist in the Commission's Division of Energy Regulation, presented testimony on behalf of Staff. Mr. Lothair H. Rowley appeared as a Protestant and presented testimony opposing removal of the cap on metered rates. Mr. Rowley proposed a separate rate schedule for his individual unit.

Staff requested that the Company be required to file the following statements and schedules with future applications for rate relief:

(1) A rate base schedule;

(2) A rate of return statement (using Staff's format);

(3) A schedule of adjustments that Company proposes;

(4) A copy of the test year or most recent tax return;

(5) An income statement for the test year; and

(6) A balance sheet at the end of the test period.

On June 4, 1990, the Examiner filed a Hearing Examiner's Report. In his Report, the Examiner made the following findings and recommendations:

(1) The use of a test year ending December 31, 1989, is proper;

(2) The Applicant's test year operating revenues, after all adjustments, were $322,287;

(3) The Applicant's test year net operating income, after all adjustments, was ($10,704);

(4) The Applicant's net utility plant investment (Rate Base), after adjustments, was $28,657;

(5) The Applicant requires $12,039 in additional gross annual revenues in order to earn a 3.77% rate of return;

(6) The Applicant's proposed rate design is just and reasonable and should be accepted;

(7) The cap on metered rates should be removed on the condition that customers are allowed to change to the BTU Load Rate;

(8) All references to the ratio between commercial and residential rates should be excluded;

(9) Metering on a voluntary basis should be considered a permanent part of the Applicant's rate structure;

(10) Apartment dwellers should be reclassified as residential customers and billed accordingly; and

(11) The Applicant should follow Staff's recommendations as to statements and schedules to be filed in future rate cases.

The Examiner recommended that the Commission enter an order that adopts the findings in the Report, grants Applicant the proposed rate increase, and dismisses the case from the Commission's docket of active cases.

No comments were filed concerning the Hearing Examiner's Report.

As the Hearing Examiner observed in his Report, there was no objection to the proposed increase. Staff made several accounting adjustments, proposed the cap on metered rates should be removed on the condition that customers are allowed to change to the BTU Load Rate and further recommended that metering on a voluntary basis should be considered a permanent part of the applicant's rate structure. The Company did not oppose any of Staff's adjustments or recommendations. The removal of the cap on metered rates, however, was opposed. The record reflects that only a small number of customers would be affected by the removal of the cap. Those customers need not be harmed by the removal of the cap because they will be metered on a voluntary basis and have the option of converting to the BTU Load Rate. Therefore we agree that the removal of the cap is appropriate.

Mr. Rowley also proposed a separate rate class for himself based on changing the Delta T factor for the chilled water system. Since the plant was not designed to accommodate the proposed change in the Delta T factor, and since similarly situated customers should be assessed the same rates, we cannot approve the proposed rate structure.

NOW, THE COMMISSION, upon consideration of the record and the Hearing Examiner's Report, is of the opinion and finds that the findings and recommendations of the June 4, 1990 Hearing Examiner's Report should be adopted. Accordingly,

IT IS ORDERED:

(1) That the Applicant be granted the proposed rate increase effective at noon on July 31, 1990; and

(2) That the Commission dismiss the case from the Commission's docket of active cases.

CASE NO. PUE890088
AUGUST 13, 1990

APPLICATION OF
THE SOUTHSIDE ELECTRIC COOPERATIVE

For a certificate of public convenience and necessity authorizing operation of transmission lines and facilities in Dinwiddie County: Center Star - Gill - Reams 115 kV Transmission Line

ORDER GRANTING CERTIFICATES

Before the Commission is Southside Electric Cooperative's ("Southside" or "Cooperative") application filed pursuant to § 56-265.2 of the Code of Virginia for a certificate of public convenience and necessity for Dinwiddie County. On July 30, 1990, Senior Hearing Examiner Russell W. Cunningham filed his report recommending that the Commission grant the application. No comments on this report were received. As explained below, the Commission adopts the Examiner's recommendation to grant this application authorizing construction and operation of single-circuit 115 kV transmission lines.

As discussed in the Commission's orders of February 6 and April 2, 1990, Southside proposes to construct a single-circuit 115 kV transmission line between its existing Center Star Substation in Dinwiddie County and its existing Gill Substation in Chesterfield County. Southside also proposes to construct a second segment of single-circuit 115 kV transmission line from a tap point on this proposed Center Star - Gill line to a tap point on an existing 115 kV transmission line running between the Reams Substation and Reams Breaker Station, entirely within Dinwiddie County. Portions of the two lines in Dinwiddie County would lie in territory served by Virginia Electric & Power Company ("Virginia Power"). As we observed in our order of February 6, those portions of the transmission lines outside Southside's territory require certification pursuant to § 56-265.2 of the Code.

In his report, Senior Examiner Cunningham found that the public convenience and necessity require the construction of the proposed transmission lines, and the Commission agrees. The record shows that these facilities are necessary to provide reliable service to Southside's customers and that Virginia Power does not object to Southside's construction of these transmission facilities through its retail service territory. Two affected landowners had initially opposed this application, but the record reflects that both had withdrawn their protests by the time of the hearing held July 25, 1990.

In conclusion, the Commission finds that Southside has established that the public convenience and necessity require construction and operation of the proposed transmission lines outside its service territory in Dinwiddie County. We further find that the appropriate certificate of public convenience and necessity for Dinwiddie County should be issued. We will also issue a certificate of public convenience and necessity for Chesterfield County to reflect that portion of the transmission line within Southside's service territory. Our evaluation of the public convenience and necessity required consideration of the entire project. Further, records of utility facilities maintained by the Commission and available for public inspection should reflect the entire route, both within and without Southside's service territory.

Accordingly, IT IS ORDERED:

(1) That, pursuant to § 56-265.2 of the Code of Virginia, this application be granted;

(2) That Southside be authorized to construct and to operate a single-circuit 115 kV transmission line between its Center Star Substation, Dinwiddie County, and its Gill Substation, Chesterfield County and a single-circuit 115 kV transmission line between a tap point on the Center Star - Gill transmission line and a tap point on the 115 kV transmission line between the Reams Substation and the Reams Breaker Station, all is shown on maps filed with and made a part of the application;

(3) That Southside be issued certificates of public convenience and necessity as follows:

a. Certificate No. ET-150, for Chesterfield County, authorizing Southside Electric Cooperative to construct and operate the proposed 115 kV transmission line, as shown on the map attached thereto;

b. Certificate No. ET-151, for Dinwiddie County, authorizing Southside Electric Cooperative to construct and operate the proposed 115 kV transmission lines, all as shown on the map attached thereto;

(4) That this case be dismissed from the docket of active proceedings and the papers herein be placed in the files for ended cases.

CASE NO. PUE900003
FEBRUARY 6, 1990

APPLICATION OF
VIRGINIA ELECTRIC AND POWER CO.

To amend its certificate of public convenience and necessity No. ET-93i authorizing operation of transmission lines and facilities in Mecklenburg County: Beachwood-Southill 115 kV Transmission Line

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 Mecklenburg County, certificate No. ET-93i, to authorize the construction and operation of a segment of 115 kV transmission line outside its service territory. Virginia Power proposes to construct a single-circuit 115 kV transmission line from a tap point on its existing Chase City-Club House Substation Transmission Line to the existing Beachwood Delivery Point serving Mecklenburg Electric Cooperative. The tap point would be approximately one mile east of the existing Southill Substation. The proposed transmission line would extend for approximately 9.4 miles, and a four-mile segment of the line would be located in Mecklenburg's service territory. As indicated on the map attached to the application, Mecklenburg has no objection to the construction of this facility within its service territory.

Upon consideration of the application, the Commission finds that this matter should be docketed and that a certificate of public convenience and necessity should be issued to Virginia Power. That portion of the proposed transmission line within Virginia Power's service territory is an ordinary extension and improvement in the usual course of business exempted from certification requirements imposed by § 56-265.2 of the Code of Virginia. Only that portion of the transmission line outside Virginia Power's territory requires certification under that Section.

According to the application, Mecklenburg approves of the proposed line which will benefit its system. The Commission finds that the public convenience and necessity require that Virginia Power be authorized to construct this segment of transmission line outside its service territory and that an appropriate certificate of public convenience and necessity should be issued. Accordingly,

IT IS ORDERED:

(1) That, pursuant to § 56-265.2 of the Code, this application be docketed, be assigned Case No. PUE890003, and that all associated papers be filed therein;

(2) That approval of this application pursuant to § 56-265.2 of the Code be granted;

(3) That Virginia Power be issued an amended certificate of public convenience and necessity as follows:

> Cerfiticate No. ET-93j, for Mecklenburg County, authorizing the Virginia Electric and Power Company to operate the present transmission lines and facilities and to construct and operate the proposed 115 kV transmission line, all as shown on the map attached thereto; said certificate No. ET-93j is to supersede certificate No. ET-93i, issued June 30, 1975.

(4) That this case be dismissed from the docket of active proceedings and that the papers herein be placed in the file for ended cases.

CASE NO. PUE900004
NOVEMBER 27, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte, In re: Investigation for Evaluating Fuel Cost Projections of Electric Utilities

FINAL ORDER

The 1989 Session of the General Assembly adopted Senate Joint Resolution No. 156 ("Resolution") requesting the State Corporation Commission to establish standards for evaluating the reasonableness of the fuel cost projections of electric utilities. The Resolution stated that "such standards need to be established in order to ensure that payments for power purchased by electric utilities from cogenerators are fair, reasonable, and appropriate." Pursuant to that Resolution, the Commission, by an order dated January 10, 1990, directed its Staff to complete an investigation and submit its findings and recommendations in a report. On February 15, 1990, Staff submitted its Report on the Development of Standards for Fuel Cost Projections ("Staff Report").

By Order dated March 16, 1990, the Commission directed its Division of Energy Regulation to provide notice of the proposed standards contained in the Staff Report and invited interested persons to comment and to request a hearing. Pursuant to that March 16, 1990, Order, the Commission received comments from CRSS Capital, Inc.; Chesapeake Corporation, Stone Container Corporation, and Westvaco Corporation ("Industrial Protestants"); and Delmarva Power ("Delmarva").

Fuel cost projections have several interrelated applications and, accordingly, the accuracy of those projections is very important. First, an electric utility must make fuel cost projections to facilitate optimal resource planning. The more accurate the fuel cost projections, the better the utility can anticipate and plan for its future needs.

As emphasized in the Resolution, fuel cost projections are also essential to ensure payments for power purchased from cogenerators and small power producers are fair and reasonable. Administratively determined payments to such qualifying facilities are based upon an electric utility's avoided costs, which are necessarily calculated by projecting the utility's system costs, but for the purchases from the qualifying facilities. The assumptions underlying that calculation clearly must include fuel cost projections. Again, to ensure payments that are fair to the qualifying facility and to the ratepayer, those projections must be as accurate as possible.

Finally, fuel cost projections must be made to develop the fuel factor which an electric utility adds to its base rates for all electricity sold. Each fuel factor is designed to recover the fuel costs the utility expects to incur during the subsequent twelve months. It also includes a correction factor designed to correct any over or under recovery of prior period fuel expenses. Although the fuel factor includes a true-up mechanism, it is still important for the utility to base the factor on accurate fuel cost projections to minimize extreme fluctuations or variances in customers' bills.

Staff recommends, and we agree, that standards for fuel cost projections should be broad and flexible. Such a framework will allow the standards to be readily applied to each individual utility in differing circumstances. General parameters, however, must be established.

Staff recommends the following minimum standards for fuel cost projections:

1. A sophisticated "state-of-the-art" production costing model should be utilized for projecting fuel expenses.

2. Key input data and assumptions should reflect historic data. Any significant deviation from historic trends should be adequately explained and evaluated for reasonableness.

3. Key input data such as load forecasts, generating unit characteristics, fuel data, and system parameters should be developed in the same relative time frame and reflect consistent assumptions.

4. Demand forecasts should be current and reflect economic growth, normal weather, the price of electricity, elasticity assumptions, appliance saturations, income and population changes in the utility's service area. They should also reflect projections of energy, peak demand and the effects of demand-side options.

5. Expected fuel prices should reflect historic fuel costs adjusted for any known dynamics of the projection: i.e., labor contracts, expected operation of the spot market, current fuel contracts, the world fuel market, inventory levels and fuel availabilities, purchasing volumes, coal severance taxes, etc.

6. Unit operations should consider planned maintenance, forced outages, expected dispatch levels, historical performance levels, seasonal capabilities, as well as ongoing enhancements or unit deterioration.

7. Dispatch orders should reflect such variables as system economics, unit availabilities, minimum operating levels, heat rates, and terms and conditions of purchased power contracts.

8. Purchase power levels should consider need, system economics, power availability and transmission constraints.

9. Projections supporting the development of cogeneration rates should include a comparison of key input data and assumptions from the last fuel projection filed with the Commission. Major changes should be adequately explained.

The comments generally support the adoption of the standards recommended in the Staff Report and we also find them to be reasonable. A sophisticated production costing model should be used to provide a means to accurately simulate system operations. Key input data and assumptions should reflect current historic data adjusted for known changes. Although certain assumptions may not be supported by actual commitments or contracts, use of historic data as a basis will appropriately capture likely system operations. Emergency and economy purchases are good examples. They are made every year and a reasonable level of such purchases should be assumed in anticipating system operations. Similarly, a reasonable level of short-term purchases should be assumed when making fuel cost projections. Such purchase levels need not be backed by a signed contract but should reflect historic availability of short term power as well as projected short term capacity excesses on neighboring systems.

Demand forecasts and other key data also should be developed in the same relative time frame to provide consistent assumptions and data. Those major changes must be documented and explained to the extent assumptions vary with the several different applications of the fuel cost projections.

Two commentors proposed several changes which will not be incorporated into the standards. The Industrial Protestants assert that fuel factors should not be predicated on goals and objectives and propose "benchmarking" fuel cost projections. Benchmarking is essentially a comparison of actual data with the estimates that had been made for that same period. Barring unusual circumstances, extreme variances between the actual data and the estimates might indicate that the utility did not properly derive the underlying assumptions and input data. Benchmarking might be used in an individual proceeding to test the accuracy of specific assumptions or data, but we do not believe that the standards need to be revised to require it.

The Industrial Protestants also suggested that Staff's proposed guidelines be implemented on an interim basis. As Staff suggested in its report, the standards implemented in this proceeding may require modifications to reflect changing conditions. Clearly the standards can be changed if modifications are determined to be necessary in the future whether the standards are implemented on an interim basis or not. Accordingly, we see no need to implement these standards on an interim basis.

Delmarva recommended that projections of demand-side impacts be clearly separate and distinct from the underlying growth projections. The standards proposed by Staff are minimum standards and require only that the effects of demand-side options be reflected. The standards would not preclude Delmarva from explicitly and separately identifying the effects of its demand-side programs.

Delmarva also suggested modification to the requirement that key input data and assumptions and expected fuel prices reflect adjusted historic data. Again, Delmarva's comment is not inconsistent with the standards proposed by Staff. The proposed standards require that key input data, assumptions and expected fuel prices reflect historic data, but allow for adjustments for any known changes or for the dynamics of the projection period. Any changes, however, should be identified appropriately and explained.

Finally, Delmarva expressed concern regarding the proposed requirement that demand forecasts and production costing data be developed in the same relative time frame. The standards do not require that a new load forecast be developed every time a fuel factor is adjusted, but it is critical that the demand forecasts and production costing data used in the model for a specific application be based on the same relative time frame to provide accurate and consistent fuel cost projections.

NOW THE COMMISSION, having considered the Staff Report and the comments thereon, is of the opinion and finds that the standards recommended by the Staff should be adopted. Accordingly,

IT IS ORDERED:

(1) That the standards recommended in Staff Report on the Development for Fuel Cost Projections dated February 15, 1990, be adopted as minimum "Standards for Fuel Cost Projects of Electric Utilities"; and

(2) 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.

CASE NO. PUE900006
OCTOBER 1, 1990

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of expenditures for new generation facilities pursuant to Virginia Code § 56-234.3 and for a certificate of public convenience and necessity pursuant to Virginia Code § 56-265.2

INTERIM ORDER AND OPINION

Opinion, Harwood, Commissioner:

On January 8, 1990, Virginia Electric and Power Company ("Virginia Power" or "Company") filed an application for the approval of proposed, but contingent, expenditures related to the construction of new electric generating facilities falling within the contemplation of Virginia Code § 56-234.3, and for the issuance of a certificate of public convenience and necessity under Virginia Code § 56-265.2 to effectuate the construction thereof. The subject facilities consist of "three or four" combustion turbines to provide 325 - 340 MW of electricity at "an estimated cost of construction" amounting to "approximately $115 - 130 million." A final construction site has yet to be determined among the potential locations being considered. The record shows two of the sites under consideration to be outside Virginia--in North Carolina. Subsequent filings by Company in an unrelated matter pending before the Commission identify North Carolina as the likely Company choice of locations.

By Commission order dated February 9, 1990, Company was directed to publish public notice, and the matter was scheduled for public hearing before a hearing examiner on June 12, 1990. Protests were filed by Fairfax and Chesterfield Counties, but both withdrew prior to the hearing.

On June 11, 1990, a document identified as a "Joint Recommendation" was filed in the record on behalf of Company and participating Commission Staff personnel and formally presented by their counsel at the hearing the following day. The document outlined a proposal to give approval under Code § 56-234.3 for all financial commitments in connection with the project, while continuing the proceeding for all further consideration under Code § 56-265.2 "pending demonstration of a need for a specific time and the selection of a site for the proposed combustion turbines." The document recognized the need for future public notice before any further Commission action could be taken. As presented, the Joint Recommendation envisioned future "consideration of present need and site-specific factors such as environmental issues, specific siting concerns and construction plans."

The hearing examiner recommended our adoption of the Joint Recommendation, the effect of which as delineated by the hearing examiner, would be to give "...approval under Code § 56-234.3 to expend funds for site acquisition, environmental permitting, commitments for the combustion turbines, and all other steps reasonably necessary to facilitate its contingency planning for the proposed project...."

Company witness Ellis recognizes in his prefiled testimony that the application differs from several other recent applications which have been filed under the same statutes. In those proceedings a specific need for additional capacity at a specific future time was identified in each application, as were the intended site locations.

Witness Ellis describes the intent of the subject filing as "seeking to put in place a contingency plan that will enable us to meet our capacity requirements as early as 1992 if it should develop either that load growth is greater than we project or that we have greater than anticipated attrition among the nonutility suppliers -- qualifying facilities and independent power producers -- with which we have contracted for capacity purchases."

As we understand the rather abbreviated record, under Company's "most probable" forecast, the proposed facility is "virtually certain" to be needed by 1995; however, as stated above, the need could arise in 1992 if the stated conditions materialize. It appears that "absolute certainty" of need even in 1995 cannot be concluded since witness Ellis states, "Subject to a later determination of what would be the optimum power supply alternative for those years [1995 and thereafter], the units that are the subject of this application will, we believe, be needed to eliminate those

deficiencies." The same witness states, "In the unlikely event that the units are never needed, no harm has been done, but harm will be done if the requirements develop and we are unable to meet them."

The hearing examiner recognizes, as do we, that Company's need for generating capacity is growing and that it is in the public interest for Company to be able to meet that need in 1992 if it materializes. No crystal ball will provide certainty in this situation, and the public is the loser if Company is unprepared to meet the envisioned contingency.

The hearing examiner further recognized that the present record is incomplete in that: (1) the specific site for the project has not been identified, (2) the specific time frame for manifestation of the need is not known with reasonable certainty, and (3) final estimated costs cannot be identified until the site and timing of construction are determined. We would add a fourth, and critical, finding to the list which must await site selection, and that is the mandate of Code § 56-46.1, "...to give consideration to the effect of that facility on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact....", together with other related requirements.

Both the examiner and the Joint Recommendation of Company and our staff see the requirements of Code § 56-234.3 as having been satisfied by the present record, with future proceedings to be conducted under the statutory authority of § 56-265.2. We may all agree upon the final disposition of this case, but the Commission does not subscribe to the foregoing conclusions.

The fundamental flaw in the recommendations presented above, in our judgment, is that we are being asked to give open-ended approval to expenditures for a multi-million dollar project with no meaningful public notice, prior to any environmental investigation, and without a definitive decision of where or when the facility will be built. If it is built in North Carolina, it surely is beyond the jurisdiction of the Commission. Notice of "proposed" expenditures and construction containing no reference to time or place is, in our opinion, inadequate to satisfy the requirements of Code § 56.234.3 and, especially Code § 56-46.1. In short, it appears to us that the application is premature. However, the position of both Company and Staff implicitly denotes a belief that no expenditures can be made by Company which are in any way related to generating facilities, wherever located, without prior approval of this Commission. We think that such a reading of Code § 56-234.3 is unwarranted.

Code § 56-234.3, by its terms, requires a public hearing, "...to assist it [the Commission] in accumulating as much relevant data as possible in reaching its determination for the necessity of the proposed generation facility...." Code § 56-46.1-A. mandates that the Commission, prior to approving the construction of any electrical utility facility, "...give consideration to the effect of that facility on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact."

In our opinion, both of the foregoing statutes require specific inquiries and findings before we ever reach the issue of approving expenditures for new generating facilities. In this case we are asked to approve those costs with no certainty that the facilities will be built, or where, or when. In fact, we are asked to approve "proposed but contingent expenditures."

Both the literal reading of Code § 56.234.3 and the legal ramifications of the course of action recommended for our adoption compel the rejection of that recommendation. It seems clear to us that no Commission review under § 56-234.3 is contemplated until the utility which is subject thereto has determined to construct an identified facility at a place specific. By the language of that section, only utilities "intending to construct" are required to submit a petition containing the prescribed information.

It is our further conclusion that Code § 56-234.3 is not intended to elicit our approval of expenditures for the construction of new generating facilities at any stage of the planning process. In fact, the penultimate paragraph of that statute negates any contrary legislative intent. That portion of § 56.234.3 places the burden on the utility–following the expenditure–to prove to the Commission "...that such cost was incurred through reasonable, proper and efficient practices, and to the extent that such public utility fails to bear such burden of proof, such costs shall not be passed on to its customers in its rate base."

The foregoing is not intended to relieve the utility from supplying cost data as part of any petition filed pursuant to § 56-234.3. That information is relevant, even essential, to the determination required by that statute pertaining to rates and service. But to "approve" expenditures in advance of construction is not required, for sound reasons which are too apparent to belabor.

Expenditures by a utility both prior to and during construction of new generating facilities, under the statute, are made at the Company's risk. Only if later proved reasonable by the Company can they be capitalized and recovered.

On the other hand, Code § 56-234.3 is equally clear that no construction of the designated facilities can lawfully begin without the Commission's prior determination that "...the proposed improvements are necessary to enable the public utility to furnish reasonably adequate service and facilities at reasonable and just rates...."

Turning now to the third statute involved in this case, we assume the applicability of Code § 56-265.2, upon the argument that the "contingent" proposed facility does not constitute "...ordinary extensions or improvements in the usual course of business within the territory in which it is lawfully authorized to operate,...." The question raised by that Code provision is whether "...the public convenience and necessity require the exercise of such right or privilege [i.e., to construct the facility]." However, it should be obvious that the narrow issue raised by § 56-265.2 within the context of this petition is fully answered by the broader inquiry mandated by § 56-234.3.

Nevertheless, the better practice suggests a filing under both Code §§ 56.234.3 and 56-265.2 in all cases which are clearly subject to § 56-234.3, but the issuance of the certificate is hardly more than ministerial once approval is obtained under § 56-234.3, unless the facility falls outside the Company's certificated territory. In the latter situation, the Commission should be satisfied that no other certificated utility has a valid objection to the proposal and that the public, otherwise, is served within the contemplation of § 56-265.2.

We address the dichotomy, above, because of the proposal offered by the Joint Recommendation to continue the case "...under § 56-265.2 pending demonstration of a need for a specific time and the selection of a site for the proposed combustion turbines. Subsequent review under § 56-265.2 will require additional notice as deemed necessary and include consideration of present need and site-specific factors such as environmental issues, specific siting concerns and construction plans...."

In view of our determination that Code § 56-234.3 does not contemplate prior Commission approval of "proposed but contingent expenditures," and that the concerns of § 56-234.3 cannot be addressed in the abstract, we reject the suggestion that the case be continued under § 56-265.2. However, we find it in the public interest to continue the case generally, as filed, to be resumed following further, appropriate public notice. The record as presently established shall be subject to further public and Commission review and evaluation, and shall be augmented as necessary, in conjunction with all further proceedings under this docket.

One further issue has been brought to our attention during our review and analysis of this proceeding. Subsequent to the adoption of Code § 56-234.3, certain filing and data requirements were compiled and issued at the staff level which were intended to facilitate our consideration of any petition filed pursuant to that statute. The Staff is directed to review and modify those requirements to conform to this opinion. One specific provision, the requirement to file the intended petition no later than 15 months prior to construction, is of special concern to us. Such a requirement would appear to serve no useful purpose, and can motivate premature filings; worse, it can frustrate otherwise timely filing by an electric utility in times when capacity needs and usage are subject to rapid change. We see no more reason for imposing such a requirement on filings under § 56-234.3 than on filings under any other filing statute. The nine-month period set out in § 56-234.3 within which the Commission is required to approve the petition is unrelated to the 15-month lead time for filing.

WHEREFORE, it is hereby ORDERED:

1. The Interim Report of the hearing examiner, dated June 26, 1990, recommending Commission adoption of the Joint Recommendation of Virginia Power and the Commission's Staff is rejected;

2. No prior approval of the expenditures proposed by Virginia Power in the proceeding is required;

3. This case is continued generally pending the further filing by Virginia Power of the appropriate evidence essential to the final disposition of the subject petition (styled "Application"), and such other Commission action as is required.

CASE NO. PUE900007
MAY 1, 1990

APPLICATION OF
NORTHERN VIRGINIA ELECTRIC COOPERATIVE

For approval to offer an incentive as part of its load management program

FINAL ORDER

On January 10, 1990, Northern Virginia Electric Cooperative ("NOVEC" or "the Cooperative") filed an application with the State Corporation Commission requesting authority to offer two incentives as part of its load management program. In its application, the Cooperative proposed to offer certain water heater maintenance services as an incentive to encourage participation in its water heater load management program. As part of the program, NOVEC would authorize an independent contractor to perform repairs to water heaters without charge to members of the Cooperative. This contractor would replace, at the Cooperative's expense, fuses, reset buttons, thermostats, and elements in water heaters owned by NOVEC members who participate in the Cooperative's load management program. The Cooperative has estimated the cost of the water heater maintenance program to be $21.50 per maintenance call between 8:00 a.m. and 5:00 p.m. and $11.50 at all other times.

The Cooperative's application states that it does not propose to perform repairs on water heaters which, in the Cooperative's judgment, are not in good general condition or are not readily accessible for repair. NOVEC has stated that it does not propose to replace water heaters or make plumbing repairs as part of its water heater maintenance program. In support of its application, NOVEC represented that its load management program saves $63.07 per year per water heater.

As an additional incentive to encourage its members to participate in its load management program, the Cooperative proposed to supply a free energy efficient shower head to each Cooperative member who agreed to have a load management switch installed on his water heater or air conditioner. The Cooperative stated that the cost of each shower head was $2.98.

On January 26, 1990, the Commission issued its Order for Notice and Comment in the captioned proceeding. This Order docketed NOVEC's application, suspended the Cooperative's tariff revisions implementing the load management incentives, directed NOVEC to give public notice of its application, and invited interested parties to file written comments or requests for hearing on the captioned application on or before March 30, 1990. In addition, the Commission directed its Staff to file a report analyzing the Cooperative's application and any comments filed thereon.

No comments or requests for hearing were filed. On April 9, 1990, the Cooperative filed its proof of notice and service.

On April 18, 1990, the Staff filed its report in the captioned matter. In its report, the Staff noted that four other electric cooperatives had similar water heater maintenance incentive programs. Based on the data provided by and the experience of other jurisdictional electric cooperatives using a maintenance incentive, the Staff reported that NOVEC's program also appeared to be effective in retaining participants in its load management program. Staff noted that the incentive programs previously approved by the Commission were initially approved on an interim basis to allow the cooperatives a full operating year in which to verify the effectiveness of their programs. Staff observed that it was appropriate for NOVEC to have the benefit of this interim operating period. With respect to the Cooperative's proposal to provide energy efficient shower heads, Staff stated that the provision of a free shower head appeared to be an incentive similar to, but less expensive than, that of providing free water heater blankets as some other jurisdictional cooperatives have done.

Staff also recommended that the Cooperative file tariff sheets describing the water heater maintenance program, including the equipment to be installed, the conditions under which maintenance would be performed, the electrical parts to be replaced and any conditions which would limit the application of the tariffs governing these incentives. Staff suggested that the Cooperative indicate in its tariffs that it accepted no liability for installation or operation of the shower heads it intended to supply. The Staff's Report further noted that if the recommendations contained therein were accepted by the Commission and if NOVEC were permitted to offer its proposed incentives, the Cooperative should collect the following data on its incentive plan for the next twelve months: the net savings associated with the load management program; the number of new switch installations made for either water heater or air conditioner controls; the number of shower heads distributed; the number of "cold water" calls to the Cooperative made because a member was not receiving hot water from his water heater; the cost of "cold water" calls where no maintenance on water heaters was required; the cost of "cold water" calls where maintenance was performed; the number of switches removed at the consumer's request as a result of switch problems; the number of switches removed at the request of the consumer because of water heater problems; and the number of repairs made to fuses, reset buttons, elements, and thermostats. Staff further recommended that within fourteen months of the issuance of any Commission order approving these incentives, assuming the data collected by the Cooperative showed these incentives to be effective, NOVEC should submit a petition, including the data collected, requesting authority to make its incentive programs permanent.

Finally, the Staff suggested that before implementing any additional load management or automated control programs, NOVEC be required to provide the Commission with detailed plans, including, but not limited to, costs associated with such programs, the benefits to be derived therefrom, financing arrangements associated with those programs and any additional proposed incentives. Staff requested that NOVEC also be required to report to the Commission annually on the status of its load management program, said report to set out all costs, including transportation costs, associated with its water heater maintenance program.

NOW, upon consideration of the application and the record before it, the Commission finds that NOVEC should be permitted to implement its water heater maintenance program and provide energy efficient shower heads on an interim basis for fourteen months from the date of the entry of this Order. We expect the Cooperative to gather the data identified in the April 18, 1990 Staff Report for a period of twelve months from the date of the issuance of this Order. Within fourteen months from the date of issuance of this Order, assuming the Cooperative's data demonstrates that its water heater maintenance program and free energy efficient shower head incentives are cost-effective and effective in encouraging its members to participate in its load management program, NOVEC may file a petition, including the data it has collected, requesting that its incentive programs be made permanent. This approach will permit us to ensure that NOVEC's incentives are effective.

In addition, NOVEC should file with the Commission tariffs which describe the scope, conditions, and terms of availability of its water heater maintenance and energy efficient shower head incentive programs. At a minimum, these tariffs should address the concerns identified in the Staff's April 18 Report.

Further, we agree with the Staff that before NOVEC initiates any additional load management, automated control programs or incentives, it should advise us of the salient details of such programs and seek authority from the Commission to implement them. In this way, we can ensure that the Cooperative continues to provide safe, efficient, reliable electric service to its members.

Finally, we find that NOVEC should report to the Commission annually on the status of its load management program. This report should identify all costs associated with NOVEC's water heater maintenance program, including any related transportation costs. We note that other jurisdictional cooperatives are making similar reports to the Commission, and in order to compare the effectiveness of these programs, we believe NOVEC should also be required to file a report.

Accordingly, IT IS ORDERED:

(1) That NOVEC is hereby authorized to place its incentive programs in effect on an interim basis for a period of 14 months from the date of the issuance of this Order, and shall collect the data specified in the Staff's April 18 Report for a period of twelve months from the date of issuance of this Order. Within 14 months from the date of issuance of this Order, assuming the Cooperative's data justifies continuation of the program, NOVEC may file a petition, including the data it has collected, requesting that its incentive programs be made permanent;

(2) That, the data NOVEC collects for the twelve-month period following the issuance of this Order shall address, at a minimum, those areas of concern identified in the Staff's April 18 Report;

(3) That the Cooperative shall forthwith file tariffs with the Commission describing its incentive programs, which tariffs shall address the issues identified in the Staff's April 18 Report;

(4) That, if the Cooperative desires to expand its load management program, initiate any additional automated control programs, or implement additional incentive programs as part of its load management program, it shall seek Commission authorization to do so by way of an application describing in detail the costs of said program, benefits to be derived therefrom, financing requirements and any additional incentives therefor;

(5) That NOVEC shall report to the Commission annually on the status of its load management program, said report to include all costs, including transportation-related costs, associated with its incentive programs; and

(6) That there being nothing further to be done herein, the same is hereby dismissed.

CASE NO. PUE900008
FEBRUARY 14, 1990

APPLICATION OF
VIRGINIA ELECTRIC AND POWER CO.

To amend its certificate of public convenience and necessity No. ET-64s authorizing operation of transmission lines and facilities in Augusta County: West Staunton 22.8 kV Distribution Line

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 Augusta County, Certificate No. ET-64s, to authorize the construction and operation of a segment of 22.8 kV distribution line outside its service territory. Virginia Power proposes to construct a single-circuit 22.8 kV distribution line from its existing West Staunton Substation to State Route 254 where the proposed line would connect to an existing line. This proposed distribution line would be built adjacent to Virginia Power's existing Dooms-Valley 230 kV Transmission Line. No additional right-of-way would be acquired for this project, but the Company will clear five feet of the existing right-of-way for this distribution line.

According to the application, the proposed distribution line would extend for approximately 3.2 miles, in Augusta County. Approximately 1.1 miles of the proposed line would be in Shenandoah Valley Electric Cooperative's (Shenandoah) service territory. As indicated on the map attached to the application, Shenandoah has no objection to the construction of this facility within its service territory.

Upon consideration of the application, the Commission finds that this matter should be docketed and that a certificate of public convenience and necessity should be issued to Virginia Power. That portion of the proposed transmission line within Virginia Power's service territory is an ordinary extension and improvement in the usual course of business exempted from certification requirements imposed by § 56-265.2 of the Code of Virginia. Only that portion of the transmission line outside Virginia Power's territory requires certification pursuant to that Section. As reflected in prior Commission orders and previously issued certificates, Virginia Power is authorized to operate jointly with Allegheny Generating Company and the Potomac Edison Company certain facilities in Augusta County. We find that none of the jointly operated facilities are affected by this application, but appropriate amended certificates shall be issued to all three companies.

According to the application, Shenandoah approves of the proposed segment distribution line to be constructed on an existing Virginia Power right-of-way located in the Cooperative's service territory. The Commission finds that the public convenience and necessity require that Virginia Power be authorized to construct this segment of transmission line outside its service territory and that an appropriate amended certificate of public convenience and necessity should be issued.

Accordingly,

IT IS ORDERED:

(1) That, pursuant to § 56-265.2 of the Code, this application be docketed, be assigned Case No. PUE890008, and that all associated papers be filed therein;

(2) That approval of this application pursuant to § 56-265.2 of the Code be granted;

(3) That Virginia Power be issued an amended certificate of public convenience and necessity as follows:

> Certificate No. ET-64t for Augusta County, authorizing Allegheny Generating Company and Virginia Electric and Power Company to operate the previously certificated jointly owned transmission line, authorizing Potomac Edison Company and Virginia Electric and Power Company to operate the previously certificated jointly owned transmission line, authorizing Virginia Electric and Power Company to operate previously certificated transmission lines and facilities and to construct and operate the 22.8 kV distribution line, all as shown on the map attached thereto; such Certificate No. ET-64t will supersede Certificated No. ET-64s, issued January 8, 1987.

(4) That this case be dismissed from the docket of active proceedings and that the papers herein be placed in the file for ended cases.

CASE NO. PUE900010
AUGUST 2, 1990

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY
and
VIRGINIA NATURAL GAS, INC.

For a certificate of public convenience and necessity pursuant to Virginia Code § 56-265.3

FINAL ORDER

On January 26, 1990, Washington Gas Light Company ("WGL") filed an application with the State Corporation Commission ("Commission") pursuant to Va. Code § 56-265.3, requesting a certificate of public convenience and necessity to provide natural gas service in the

Counties of Essex, King and Queen, Lancaster, Mathews, Middlesex, Northumberland, Richmond and Westmoreland, and the municipalities located therein. On February 13, 1990, Virginia Natural Gas, Inc. ("VNG") filed a competing application with the Commission for a certificate of public convenience and necessity to serve the same territory for which WGL had filed an application.

On February 22, 1990, the Commission entered an Order which, among other things, consolidated the competing applications, appointed a hearing examiner to preside over the matter, set the applications for hearing on July 11, 1990, and established a procedural schedule for the applicants, protestants, Staff and interveners.

On the appointed day, the matter came to be heard by Glenn P. Richardson, Hearing Examiner. No interveners appeared at the public hearing. Counsel appearing were Donald R. Hayes, Esquire, counsel for WGL; Guy T. Tripp, III, Esquire, counsel for VNG; James C. Dimitri, Esquire, counsel for Potomac Electric Power Company ("PEPCO"); and Sherry H. Bridewell, counsel for the Commission's Staff. By agreement of counsel, all prefiled direct testimony was received into the record without cross-examination.

Staff's prefiled direct testimony proposed to divide the service territory in question at the Rappahannock River. None of the parties to the proceeding took issue with Staff's conclusion that both applicants appeared capable of serving the areas for which certificates of public convenience and necessity were sought or with Staff's recommendation regarding division of the service territory at the Rappahannock River.

Specifically, Staff recommended that WGL be awarded certificates of public convenience and necessity to provide natural gas distribution service in the Counties located north of the Rappahannock River and that a certificate of public convenience and necessity be issued to VNG to provide natural gas distribution service in the Counties located south of the Rappahannock River. Staff chose the Rappahannock River as a dividing point within the service territory in question because river crossings are generally costly, and a division of the service area at the river would minimize the cost of extensions into the entire service area. In addition, Staff recognized that the cost of crossing the Rappahannock would increase the risk that customers in the proposed service territory would not be served or that a river crossing would delay the extension of natural gas service to these customers.

On July 17, 1990, the Hearing Examiner issued his report in the captioned matter. In his report, the Examiner accepted Staff's recommendation to divide the service territory at the Rappahannock River and found this recommendation to be just and reasonable. The Examiner further found that although both applicants were fit, willing and able to provide gas service in the proposed service area, each possessed a distinct advantage over the other on the side of the Rappahannock River closest to their existing certificated service territories. The Examiner recommended that the Commission enter an order adopting his findings and awarding WGL a certificate of public convenience and necessity to provide natural gas service in the Counties of Westmoreland, Richmond, Northumberland and Lancaster and the municipalities therein, and awarding VNG a certificate of public convenience and necessity to provide natural gas service in the Counties of Essex, King and Queen, Middlesex and Mathews, and the municipalities located therein. The Examiner dispensed with the traditional 15-day comment period since none of the participants in the proceeding took issue with the Staff's recommendation.

NOW THE COMMISSION, upon consideration of the record in this proceeding, the July 17, 1990 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 Counties of Westmoreland, Richmond, Northumberland and Lancaster and the municipalities located therein to WGL for the development of natural gas distribution service. We also find it to be in the public interest to allot the Counties of Essex, King and Queen, Middlesex and Mathews as well as the municipalities located therein to VNG for the development of natural gas distribution service. As the Hearing Examiner has noted, we are not addressing the specific potential pipeline projects described by both VNG and WGL in their respective applications as necessary to move natural gas to the proposed service territories. These pipeline projects are not the subject of the application and were not publicly noticed. Consequently, it may be necessary for WGL and VNG to apply for further certificates of public convenience and necessity under Va. Code § 56-265.2, depending on the specific characteristics and routing of each Company's respective pipeline project.

Finally, once VNG and WGL file the appropriate USGS maps with our Division of Energy Regulation, individual certificates of public convenience and necessity may be issued to each applicant. Consequently, we will hold this docket open until such time as VNG and WGL file the appropriate maps, at which time the specific certificates of public convenience and necessity will be issued, and this matter closed.

Accordingly, IT IS ORDERED:

(1) That the findings, analysis, and recommendations of the July 17, 1990 Hearing Examiner's Report are hereby adopted;

(2) That certificates of public convenience and necessity authorizing WGL to provide natural gas distribution service in the Counties of Westmoreland, Richmond, Northumberland and Lancaster and the municipalities located therein shall be issued to WGL upon the filing of the appropriate USGS maps with our Division of Energy Regulation;

(3) That certificates of public convenience and necessity authorizing VNG to provide natural gas distribution service in the Counties of Essex, King and Queen, Middlesex and Mathews and the municipalities located therein shall be issued to VNG upon the filing of the appropriate USGS maps with our Division of Energy Regulation; and

(4) That this matter shall be continued until further order of the Commission.

CASE NO. PUE900010
AUGUST 27, 1990

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY
and
VIRGINIA NATURAL GAS, INC.

For a certificate of public convenience and necessity pursuant to Virginia Code § 56-265.3

ORDER ISSUING CERTIFICATES AND DISMISSING PROCEEDING

On August 2, 1990, the State Corporation Commission ("Commission") issued its Final Order in the captioned matter. Among other things, in Ordering Paragraph (2) thereof, the Commission directed that certificates of public convenience and necessity be issued to Washington Gas Light Company ("WGL"), authorizing that Company to provide natural gas distribution service in the counties of Westmoreland, Richmond, Northumberland and Lancaster, Virginia, as well as the municipalities located therein, upon the filing of appropriate United States Geological Survey ("USGS") maps with the Commission's Division of Energy Regulation. Ordering Paragraph (3) of the August 2, 1990 Final Order directed that certificates of public convenience and necessity be issued to Virginia Natural Gas, Inc. ("VNG"), authorizing that utility to provide natural gas distribution service in the counties of Essex, King and Queen, Middlesex, and Mathews, Virginia as well as the municipalities located therein, upon the filing of appropriate USGS maps with the Division of Energy Regulation.

On August 10, 1990, VNG, by counsel, filed Virginia Department of Highways and Transportation maps ("general highway maps") for Essex, King and Queen, Middlesex, and Mathews Counties with our Division of Energy Regulation. VNG asked that these maps be accepted in lieu of the USGS maps specified in the August 2 Final Order.

By letter dated August 15, 1990, WGL, by counsel, filed general highway maps prepared by the Virginia Department of Transportation for Lancaster, Northumberland, Richmond and Westmoreland Counties with the Division of Energy Regulation. WGL also requested that its maps also be accepted in lieu of the USGS maps specified in the August 2 Final Order.

NOW THE COMMISSION, upon consideration of the maps filed by WGL and VNG, and having been advised by its Staff, is of the opinion and finds that the general highway maps offered by VNG and WGL are acceptable and should be received in lieu of the USGS maps specified by our August 2 Final Order, that appropriate certificates of public convenience and necessity, as more particularly described below, should be issued to VNG and WGL, and that this matter should be removed from the Commission's docket of active cases.

Accordingly, IT IS ORDERED:

(1) That the general highway maps filed by VNG and WGL with the Division of Energy Regulation shall be accepted in lieu of the USGS maps referred to in Ordering Paragraphs (2) and (3) of the August 2, 1990 Final Order;

(2) That certificates of public convenience and necessity Nos. G-156, G-157, G-158, and G-159 shall be issued forthwith to VNG, authorizing VNG to provide distribution service in Essex County, King and Queen County, Middlesex County, and Mathews County respectively, as well as the municipalities located in each of these counties;

(3) That a copy of this Order, as well as the certificates issued pursuant to Ordering Paragraph (2) hereof shall be made a part of case file No. 10316, located in the Division of Energy Regulation;

(4) That certificates of public convenience and necessity Nos. G-160, G-161, G-162, G-163, shall be issued forthwith to WGL, authorizing WGL to provide natural gas distribution service to Westmoreland County, Richmond County, Northumberland County, and Lancaster County, Virginia respectively, as well as the municipalities located in each of these counties;

(5) That a copy of this Order and the certificates issued pursuant to Ordering Paragraph (4) hereof shall be made a part of case file No. 10314, located in the Division of Energy Regulation; and

(6) That there being nothing further to be done herein, the same is hereby dismissed, and shall be removed from the Commission's docket of active proceedings.

CASE NO. PUE900012
FEBRUARY 21, 1990

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

To amend its certificate of public convenience and necessity No. ET-107g authorizing operation of transmission lines and facilities in Rockbridge County: Lexington Substation-Glasgow Substation-Balcony Falls Substation 115 kV Transmission Line

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 Rockbridge County, Certificate No. ET-107g, to authorize the construction and operation of segments of transmission line outside its service territory. Virginia Power proposes to construct a single-circuit 115 kV transmission line from its existing

Lexington Substation to a proposed replacement Glasgow Substation, a distance of approximately 20.64 miles. From Glasgow, the line will extend approximately 2.46 miles further to the existing Balcony Falls Substation. All construction would be within Rockbridge County.

From the Lexington Substation, Vepco proposes to install approximately 10.98 miles of this line on the vacant side of existing towers of a previously approved transmission line. The Company proposes to construct approximately 9.66 miles of new corridor on a 100-foot wide right-of-way from a point on the existing corridor to the proposed replacement substation. From Glasgow to Balcony Falls, Virginia Power proposes to utilize a combination of new and existing right-of-way. As shown in the application, a substantial portion of of this transmission line between Lexington and a point just west of the proposed Glasgow site would be in BARC Electric Cooperative's (BARC) service territory. The portion of the line between Glasgow and Balcony Falls would be in Virginia Power's territory.

Upon consideration of the application, the Commission finds this matter should be docketed. That portion of the proposed transmission line within Virginia Power's service territory is an ordinary extension and improvement in the usual course of business exempted from certification requirements imposed by § 56-265.2 of the Code of Virginia. Likewise, the proposed replacement Glasgow Substation is an ordinary extension and improvement exempted from certification. Only that portion of the transmission line outside Virginia Power's service territory requires certification by the Commission.

According to the application, BARC approves of the proposed construction of a transmission line in its service territory. As shown on the map attached to the application, the Commission has previously entered orders and issued certificates authorizing Virginia Power to jointly operate with Allegheny Generating Company certain facilities in Rockbridge County. We find that none of these jointly operated facilities are affected by this application. The Commission finds the public convenience and necessity requires that Virginia Power be authorized to construct portions of a transmission line outside its service territory. We further find that appropriate amended certificates of public convenience and necessity should be issued to Virginia Power and to Allegheny Generating Company. Accordingly,

IT IS ORDERED:

(1) That, pursuant to § 56-265.2 of the Code, this application be docketed, be assigned Case No. PUE900012, and that all associated papers be filed therein;

(2) That approval of this application pursuant to § 56-265.2 of the Code be granted;

(3) That Virginia Power and Allegheny Generating Company be issued amended certificates of public convenience and necessity as follows:

> Certificate No. ET-107h for Rockbridge County, authorizing Allegheny Generating Company and Virginia Electric and Power Company to operate previously certificated jointly owned transmission line and authorizing Virginia Electric and Power Company to operate previously certificated transmission lines and facilities and to construct and operate previously certificated transmission lines and facilities and to construct and operate the 115 kV Transmission Line, all as shown on map attached thereto; and Certificate No. ET-107h will supersede Certificate No. ET- 107g, issued January 8, 1987.

(4) That this case be dismissed from the docket of active proceedings and that the papers herein be placed in the file for ended cases.

CASE NO. PUE900012
FEBRUARY 23, 1990

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

To amend its certificate of public convenience and necessity No. ET-107g authorizing operation of transmission lines and facilities in Rockbridge County: Lexington Substation-Glasgow Substation-Balcony Falls Substation 115 kV Transmission Line

ORDER CORRECTING CERTIFICATE

The amended certificate granted by ordering paragraph (3) of the Commission's Order of February 21, 1990, contains certain errors that must be corrected. Accordingly,

IT IS ORDERED that the description of the certificate granted in ordering paragraph (3) be corrected to read as follows:

> *Certificate No. ET-107h for Rockbridge County, authorizing Allegheny Generating Company and* Virginia Electric and Power Company to operate a previously certificated jointly owned transmission line and authorizing Virginia Electric and Power Company to operate previously certificated transmission lines and facilities and to construct and operate the 115 kV Transmission Line, all as shown on map attached thereto; and Certificate No. ET-107h will supersede Certificate No. ET-107g, issued January 8, 1987.

CASE NO PUE900013
JUNE 12, 1990

APPLICATION OF
COMMONWEALTH ATLANTIC LIMITED PARTNERSHIP

For a certificate of public convenience and necessity, pursuant to Va. Code § 56-265.2 and for approval of expenditures for new generating facilities

FINAL ORDER

On February 1, 1990, Commonwealth Atlantic Limited Partnership ("Commonwealth Atlantic" or "the Partnership"), an independent power producer ("IPP"), filed an application with supporting prepared testimony and exhibits requesting the Commission's approval of Commonwealth Atlantic's proposed construction of a 240 megawatt ("MW") simple-cycle generating plant consisting of three gas-fired turbine generators to be located in the City of Chesapeake, Virginia.[1] The Partnership sought a certificate of public convenience and necessity, pursuant to Virginia Code § 56-265.2, and approval pursuant to Virginia Code § 56-234.3, which requires the Company to show that ". . . the proposed improvements are necessary to enable the public utility to furnish reasonably adequate service and facilities at reasonable and just rates."

On February 9, 1990, the Commission issued an order directing Commonwealth Atlantic to publish notice of its application and setting a procedural schedule. In its application, Commonwealth Atlantic raised legal issues identical to those which we resolved in Case No. PUE890068, Application of Doswell Limited Partnership, For a certificate of public convenience and necessity and, if applicable, For approval of expenditures for new generating facilities (February 13, 1990) ("Doswell").

On April 9, 1990, Commonwealth Atlantic filed a motion and supplemental testimony to address two changes: (1) an increase in the nominal capacity of the facility to approximately 310 MWs, and (2) a relocation of the project to one of two sites inside the City of Chesapeake and within one mile of the original site. Pursuant to Commission order dated April 11, 1990, the Commission granted Commonwealth Atlantic's Motion to file supplemental testimony and to amend its application.

After the change in the project site, Commonwealth Atlantic provided actual notice to affected landowners by April 18, 1990, and scheduled a local meeting to discuss its proposed facility. No persons appeared at that meeting and this Commission has not received any protest or comments from affected landowners.

The public hearing before this Commission was held on May 1, 1990. At the hearing, Senator Stanley Walker of Norfolk, Senator Mark Early of Chesapeake and Donald Goldberg, Director of Economic Development for the City of Chesapeake, all testified in support of the project and stated their confidence in the Partnership.

Commonwealth Atlantic is a limited partnership organized under the laws of the Commonwealth of Virginia. The Partnership is currently owned and controlled by two partners which are Virginia corporations. These corporate partners, Chickahominy River Energy Corporation ("Chickahominy River") and James River Energy Corporation ("James River"), are each owned and controlled jointly by a limited partnership in which Long Lake Power Corporation, a wholly-owned subsidiary of Long Lake Energy Corporation ("Long Lake"), and Hanover Energy Company ("Hanover"), a wholly-owned subsidiary of Mission Energy Company ("Mission"), are the sole general partners.

Witnesses for Commonwealth Atlantic testified that prior to commercial operations, the partnership structure will be changed. Chickahominy and James River will be dissolved and their partnership interests in Commonwealth Atlantic will be transferred as limited partnership interests to Long Lake Power Corporation and Hanover respectively. In order to finance the facility, Commonwealth Atlantic may also sell limited partnership interests to other entities. A Virginia corporation, which will be owned by an individual, will assume a 2% general partnership interest in the Partnership.

Commonwealth Atlantic has no certificated service territory and seeks none. Further, Commonwealth Atlantic has no service obligations to Virginia customers. Its generating output will be sold exclusively to Virginia Electric and Power Company ("Virginia Power") for resale.

At the hearing, Commonwealth Atlantic indicated that it accepted the Commission's jurisdiction as enumerated in the Commission's Final Order in Doswell. We do not believe that it is necessary to repeat the analysis and decision set forth in the Doswell case, for the legal issues are identical. It is sufficient to state that this Commission has jurisdiction over Commonwealth Atlantic to the extent not pre-empted by the Federal Energy Regulatory Commission ("FERC"). In evaluating Commonwealth Atlantic's application, the Commission Staff considered those criteria set forth in the Commission's Order in Doswell. Therein, the Commission stated that an "IPP must show the need for the project and the technical and financial viability of the developer and the project to allow us to conclude that a certificate of public convenience and necessity is in the public interest" (Id. at 11). The Commission also stated that under Virginia Code §§ 56-265.2 and 56-234.3 "evidence of need, costs, reliability and possible alternatives must be provided as those justifying elements relate to Virginia Power" (Id. at 6).

The Commonwealth Atlantic project was one of the successful bids in Virginia Power's March, 1988, solicitation. It, therefore, is appropriate to start our analysis with Virginia Power's 1988 Long-Range Forecast of Load and Resources, which revealed a capacity need for 1989-1994. In addition, the Company's Twenty-Year Resource Plan reflected an increase in the summer peak load in the 1988 Forecast from 2.2% to 2.5% in the 1989 Forecast. Moreover, Virginia Power has identified a need for peaking capacity in the early 1990's, and Commonwealth Atlantic was the only combustion turbine peaking facility selected in the 1988 solicitation. The evidence establishes a clear need for the capacity.

Further, Commonwealth Atlantic's proposal offered a better alternative to Virginia Power construction at the time the selection was made. Commonwealth Atlantic's proposal is less expensive than it would have been for Virginia Power to build its own 1988 generic unit to serve the capacity need. The levelized cost of the Commonwealth Atlantic facility is $69.71 per kilowatt ("KW") versus $85.04 per KW for Virginia Power's generic combustion turbine facility. The cost of Commonwealth Atlantic's 310 MW proposal is lower than the cost per KW of the originally proposed 240 MW facility. The comparison between the cost of the current Commonwealth Atlantic proposal and the cost of Virginia Power's 1988 generic combustion turbine option showed the IPP facility to be less expensive on a levelized $/KW basis.

Commonwealth Atlantic also has demonstrated that it has the technical and financial ability to construct and operate the facility. Commonwealth is in the process of finalizing its contract with Westinghouse Electric Corporation ("Westinghouse"), which will construct and install the combustion turbines on a turnkey basis. Combustion turbines are a tested form of technology. In addition, the project manager of the Partnership, who will monitor and review all aspects of the construction of the facility, has extensive experience in overseeing turnkey projects utilizing combustion turbines. The price of the Westinghouse contract is fixed; Commonwealth Atlantic has also negotiated certain levels of liquidated damages to assure the timely and efficient performance of the engineering, procurement and construction contractor. Commonwealth Atlantic has filed for approval of its contract rates with FERC and is engaged in procuring other permits necessary for construction and subsequent operation.

Commonwealth Atlantic's project manager testified that the Partnership will secure the services of an operations and maintenance contractor to operate the plant. The selection process should begin in the fall of 1990. Moreover, both Mission and Long Lake have experience in the establishment of nonutility generation throughout the United States. In fact, Mission currently is involved in cogeneration projects in Virginia, which, to date, have not experienced any problems. Further, Virginia Power will monitor the project extensively, including receipt of monthly progress reports from Commonwealth Atlantic. The monitoring by Virginia Power does not cease with commercial operation but will continue through the operation and maintenance of the facility.

The Partnership will purchase natural gas on the spot market and anticipates transporting the gas to the plant by purchasing interruptible gas transportation service from Commonwealth Gas Services. Both the Partnership's project manager and Virginia Power testified as to the adequacy of gas supply. Commonwealth Atlantic will have oil storage tanks available on site for a back-up source of fuel should gas supply be interrupted. As required in the purchased power agreement, Commonwealth Atlantic will have oil available on site capable of running the facility for 120 hours.

As to the facility's site, the Swann Oil Site, the Partnership has executed a purchase agreement to buy the site, subject to the approval of the Bankruptcy Court. Because the site is in close proximity to the original site, the environmental, water and air quality permitting will be very similar to that already undertaken at the original site. In summary, the record reflects that the Partnership has the technical qualifications to successfully proceed with the project.

As to the Partnership's financial viability, both Mission and Long Lake appear committed to the project. In fact, Mission has already provided in excess of $7,000,000 in earnest money for the Partnership. In assessing the financial viability of the project, it is reasonable to review the financial data of Long Lake and Mission, the principal participants in the Partnership. While Long Lake's financial condition appears rather weak, Mission's financial condition is considerably stronger. Mission has access to significant sums of equity capital via its parent company, SCEcorp, the parent company of Southern California Edison Company. Moreover, Mission has significant experience in the capital markets which will, no doubt, be helpful to the Partnership. Mission also stands ready to make a permanent equity capital commitment, rather than to raise outside equity. Finally, combustion turbines are a proven technology, and this factor should assist in the Partnership's efforts to obtain financing.

The evidence demonstrates that Virginia Power needs capacity as offered by Commonwealth Atlantic in the early 1990's. Moreover, Commonwealth Atlantic has procured the services of experienced persons and companies to timely and efficiently construct and operate the facility. Lastly, based largely upon the proven track record of Mission, the Partnership should be able to obtain financing for the project.

NOW, THE COMMISSION, upon consideration of the record in this proceeding and the applicable law, finds that:

(1) Commonwealth Atlantic's proposed simple-cycle generating plant, to be located at the Swann Oil Site in the City of Chesapeake, Virginia, capable of producing approximately 310 MWs of electricity, is necessary to meet Virginia Power's capacity needs. The Commonwealth Atlantic facility at the Swann Oil Site should, therefore, be approved. Commonwealth Atlantic shall keep this Commission apprised of changes, if any, to its purchased power agreement with Virginia Power;

(2) Commonwealth Atlantic's construction of its proposed facilities for use in public utility service is required by the public convenience and necessity, pursuant to the provisions of Virginia Code § 56-234.3 and § 56-265.2; and

(3) It is appropriate to impose certain conditions upon the issuance of the certificate in this case to assure that the Commission is kept apprised of the activities of the limited partnership and the general partner. Accordingly,

IT IS ORDERED:

(1) That Commonwealth Atlantic's proposed construction and operation of the simple-cycle facility at the Swann Oil Site in the City of Chesapeake, Virginia, is hereby approved under Virginia Code § 56-234.3, and a certificate of public convenience and necessity shall be issued therefor upon the filing of maps, pursuant to Virginia Code § 56-265.2;

(2) That Commonwealth Atlantic shall comply with any and all reporting requirements directed by the Commission related to the construction, operation, and technical aspects of the subject project, and shall not sell or transfer any of its utility assets or the certificate of public convenience and necessity without first seeking Commission approval;

(3) That the certificate holder, together with all general partners of any partnership holding any interest in the certificate to the extent provided by law, their successors and assigns shall be subject to all of the regulatory provisions of Title 56 of the Virginia Code which are not pre-empted by federal law;

(4) That Commonwealth Atlantic shall file with the Clerk of the Commission, information, reports, and contracts as follows:

(a) The issuance of stocks and stock certificates or other evidences of interest or ownership, and bonds, notes, and other evidences of indebtedness and the creation of liens on any of the certificate holder's property within Virginia, as described in Virginia Code § 56-57,

and amendments thereto, shall be accompanied by the filing of a statement setting forth the amount, character, terms, and purposes of stocks, stock certificates, or other evidences of interest or ownership, and bonds, notes, and other evidences of indebtedness issued or assumed;

(b) Copies of all contracts or arrangements, and amendments thereto, described in Virginia Code § 56-77;

(c) Three copies of any and all future contracts or arrangements, and amendments thereto, executed by and between Commonwealth Atlantic and Virginia Power;

(d) Any and all information, reports, etc., related to its operations as requested by the Commission's Divisions of Energy Regulation, Economic Research and Development, and Accounting and Finance;

(e) The foregoing filing requirements shall be binding upon all successors and assigns of Commonwealth Atlantic; and

(5) That this cause is continued pending further Commission action.

[1]This capacity was increased to 310 MW when Commonwealth Atlantic filed supplemental testimony revising its proposal on April 9, 1990.

CASE NO. PUE900016
MARCH 8, 1990

PETITION OF
NORTHERN VIRGINIA NATURAL GAS, A DIVISION OF WASHINGTON GAS LIGHT COMPANY

For a waiver of Sections I(8) and (9) of the Commission's Rules Governing Utility Rate Increase Applications and Annual Informational Filings

ORDER GRANTING WAIVER

On March 5, 1990, Northern Virginia Natural Gas ("the Company"), a Division of Washington Gas Light Company, filed a request with the State Corporation Commission to waive Sections I(8) and (9) of the Commission's Rules Governing Utility Rate Increase Applications and Annual Informational Filings ("Rules"). Rule I(8) prohibits utility rate applicants from using financial and operating data with overlapping test years as part of their rate applications. The Company's test period used to support its last rate case was the twelve months ending December, 1988. The Company now intends to use a March 31, 1990 test period. Therefore, the Company has requested a waiver of Rule I(8) of the Rules so that it may resume use of an end-of-calendar year test period for its annual informational or rate filing in 1991.

The Company has also asked that we grant it a waiver of Section I(9) of the Rules. Section I(9) would require the Company to file an annual informational filing by March 31, 1990, unless the Company files an application for a rate increase. The Company has noted that it will require rate relief in 1990, and has represented that if its motion is granted, it will file an application for expedited rate relief using financial and operating data based on a test period for the twelve months ending March 31, 1990.

NOW THE COMMISSION, having considered the Company's request for waiver, is of the opinion and finds that the Company's request should be docketed, that the request for waiver should be granted, that in the event the Company is unable to file an expedited rate application by June 29, 1990, it should file an annual informational filing using as its test period the twelve months ending December 31, 1989, and that the captioned docket number should be retained so that it may be assigned to the Company's next rate application or annual informational filing, as appropriate.

Accordingly, IT IS ORDERED:

(1) That this matter be docketed and assigned Case No. PUE900016;

(2) That the Company's request for a waiver of Sections I(8) and (9) of the Commission's Rules is granted;

(3) That the Company is relieved of its obligation to file an annual informational filing by March 31, 1990;

(4) That the Company may resume use of an end-of-calendar year test period for its annual informational or rate filing in 1991;

(5) That in the event the Company has not filed a rate case by June 29, 1990, it shall file at that time with the Commission an annual informational filing using as its test period the twelve months ending December 31, 1989; and

(6) That the case number assigned herein shall also be associated with the Company's next rate application or annual informational filing as appropriate.

CASE NO. PUE900016
JUNE 27, 1990

APPLICATION OF
NORTHERN VIRGINIA NATURAL GAS,
A Division of Washington Gas Light Company

For an expedited increase in rates

INTERIM ORDER

On June 6, 1990, Northern Virginia Natural Gas, a Division of Washington Gas Light Company, ("NVNG" or "the Company"), filed an application, supporting testimony, and exhibits with the State Corporation Commission ("Commission") for an increase in natural gas rates. NVNG's proposed rates are designed to produce additional annual operating revenue of $7,745,451. The Company has also proposed to increase certain of its miscellaneous fees and charges. It has filed financial and operating data for the twelve months ended March 31, 1990, in support of its application. NVNG requested that its expedited increase, with the schedules of rates and terms and conditions filed in its application, become effective for service rendered on and after July 6, 1990, pending a final decision in this case.

NOW, HAVING CONSIDERED the application and the applicable statutes, and having been advised by the Staff, the Commission finds that the captioned matter should be docketed; that, based on the application and supporting testimony and exhibits, there is a reasonable probability that the requested increase will be justified upon full investigation and hearing; that NVNG should be allowed to implement its proposed rates on an interim basis, subject to refund with interest; that members of the Commission's Staff should conduct a full investigation into the reasonableness of the proposed tariff revisions and present their findings in testimony; and that a public hearing before a hearing examiner should be held to receive relevant evidence.

Accordingly, IT IS ORDERED:

(1) That the captioned matter shall be docketed and assigned Case No. PUE900016;

(2) That an increase in rates designed to produce additional gross annual revenue of $7,745,451, representing an increase of 3.07% in total revenue, may become effective on an interim basis, subject to refund with interest, for service rendered on and after July 6, 1990;

(3) That, pursuant to Rule 7:1 of the Commission's Rules of Practice and Procedure ("Rules"), a hearing examiner is appointed to conduct all further proceedings in this matter;

(4) That a hearing before a hearing examiner is scheduled for December 5, 1990, at 10:00 a.m., in the Commission's 13th Floor Courtroom, located in the Jefferson Building, Bank and Governor Streets, Richmond, Virginia for the purpose of receiving evidence relevant to the Company's application;

(5) That, on or before July 31, 1990, NVNG shall make copies of its application, supporting exhibits, and prefiled direct testimony available for public inspection during regular business hours at all offices where customer bills may be paid;

(6) That NVNG shall respond to written interrogatories within ten (10) days after the receipt of same. Protestants also shall respond to written interrogatories within ten (10) days after the receipt of same. Protestants shall provide to NVNG, other protestants, and Staff any workpapers or documents used in preparation of their filed testimony promptly upon request. Except as modified, discovery shall be in accordance with Part VI of the Rules set forth in the Rules of Practice and Procedure of the State Corporation Commission;

(7) That, on or before October 12, 1990, any person desiring to participate as a protestant, as defined in Rule 4:6, shall file with the Clerk of the Commission an original and fifteen (15) copies of a notice of protest, as provided in Rule 5:16(a), and shall serve a copy of same upon Donald R. Hayes, Esquire, Washington Gas Light Company, 1100 H Street, N.W., Washington, D.C. 20080, and upon all other parties of record;

(8) That within five (5) days of the receipt of any notice of protest, NVNG shall serve upon each protestant a copy of all material now or hereafter filed with the Commission;

(9) That any person who expects to submit evidence, cross-examine witnesses or otherwise participate in the proceeding as a protestant, pursuant to Rule 4:6, shall file on or before November 9, 1990, an original and fifteen (15) copies of a protest with the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23216 and shall simultaneously serve a copy thereof upon the Company and upon any other protestant. The protest shall set forth (i) a precise statement of the interest of the protestant in the proceeding; (ii) a full and clear statement of the facts which the protestant is prepared to prove by competent evidence; and (iii) a statement of the specific relief sought and the legal basis therefor. Any corporate entity that wishes to submit evidence, cross-examine witnesses or otherwise participate as a protestant must be represented by legal counsel in accordance with the requirements of Rule 4:8;

(10) That, on or before November 9, 1990, each protestant shall file with the Clerk of the Commission an original and fifteen (15) copies of the prepared testimony and exhibits the protestant intends to present at the December 5 hearing and shall simultaneously send a copy to counsel for NVNG at the address set out below and to any other protestant. Service upon counsel for NVNG shall be made upon Donald R. Hayes, Esquire, Washington Gas Light Company, 1100 H Street, N.W., Washington, D.C. 20080;

(11) That, on or before November 16, 1990, the Commission Staff shall file with the Clerk of the Commission an original and fifteen (15) copies of the prepared testimony and exhibits Staff intends to present at the public hearing and shall send a copy of same to counsel for NVNG at the address set forth above and shall send a copy of said prepared testimony and exhibits to each protestant;

(12) That, on or before November 26, 1990, NVNG shall file with the Commission an original and fifteen (15) copies of all testimony it expects to introduce in rebuttal to all direct prefiled testimony and exhibits; additional rebuttal evidence may be presented by the Company without prefiling, provided it is in response to evidence which was not prefiled, but elicited at the time of the hearing and, provided further, the need for additional rebuttal evidence is timely addressed by motion during the hearing and leave to present said evidence is granted by the hearing examiner. The Company shall serve a copy of its prefiled rebuttal evidence upon all parties of record;

(13) That any person desiring to comment in writing on NVNG's application may do so by directing such comments on or before October 22, 1990, to the Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23216. Such comments must refer to Case No. PUE900016. Any person desiring to make a statement at the public hearing concerning the application need only appear in the Commission's 13th Floor Courtroom at 9:45 a.m. on the day of the hearing and identify himself or herself to the bailiff as a public witness;

(14) That, on or before September 6, 1990, NVNG shall complete publication of the following notice, to be published as display advertising (not classified) once a week for two consecutive weeks in newspapers of general circulation in NVNG's service territory:

NOTICE TO THE PUBLIC OF AN APPLICATION
FOR AN EXPEDITED INCREASE IN RATES
BY NORTHERN VIRGINIA NATURAL GAS,
A DIVISION OF WASHINGTON GAS LIGHT COMPANY
CASE NO. PUE900016

On June 6, 1990, Northern Virginia Natural Gas, a Division of Washington Gas Light Company, ("NVNG" or "the Company"), filed an application for an expedited rate increase with the State Corporation Commission of Virginia ("Commission"). NVNG requested that it be permitted to revise its tariffs to produce an increase in additional gross annual revenues of $7,745,451, an increase of 3.07%. In addition, the Company has proposed to increase certain of its miscellaneous fees and charges. These increases include, but are not limited to, proposals to increase the charge for moving an existing residential meter from the interior of a dwelling to the exterior from $100 to $150; increase the service reconnection fee from $10.00 to $25.00; where four or more multiple dwelling units are included, NVNG proposes to increase the reconnection fee from $8.00 to $10.00 for each dwelling unit, but, in no event to charge less than $50.00 in the aggregate; to increase the service initiation charge from $20.00 to $25.00; and to revise the risk-sharing mechanism to reflect the level of interruptible non-gas target margin at an equalized cost of service to the interruptible service class. The details of these and other Company proposals are set forth in NVNG's application. Interested persons are encouraged to review the application and supporting materials for the details of these and other proposals.

Pursuant to Virginia Code § 56-240, the Commission has permitted NVNG's proposed increase in rates to become effective for service rendered on and after July 6, 1990, subject to refund with interest. Interested persons should be advised that after consi-dering all of the evidence, the Commission may prescribe rates, fees and charges, and terms and conditions of service applicable to natural gas service which differ from those appearing in NVNG's application.

The Commission has scheduled a public hearing before a hearing examiner, to be held on December 5, 1990, at 10:00 a.m., in the Commission's 13th Floor Courtroom, located in the Jefferson Building, 1220 Bank Street, Richmond, Virginia. The purpose of this hearing is to receive evidence relevant to NVNG's application.

A copy of the Company's application is available for public inspection during regular business hours at all NVNG's offices where customer bills may be paid, and from 8:15 a.m. to 5:00 p.m., Monday through Friday, at the State Corporation Commission, Document Control Center, Floor B-1, Jefferson Building, 1220 Bank Street, Richmond, Virginia.

Any person desiring to comment in writing on NVNG's application may do so by directing such comments on or before October 22, 1990, to the Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23216. Such comments must refer to Case No. PUE900016. Any person desiring to make a statement at the public hearing, either for or against the application, need only appear in the Commission's 13th Floor Courtroom at 9:45 a.m. on the day of the hearing and identify himself or herself as a public witness to the Commission's bailiff.

On or before October 12, 1990, any person desiring to participate as a protestant, as defined in Rule 4:6 of the Commission's Rules of Practice and Procedure ("Rules"), shall file with the Clerk of the Commission an original and fifteen (15) copies of a notice of protest as provided in Rule 5:16 (a), and shall send a copy of same to the Company's counsel, Donald R. Hayes, Esquire, Washington Gas Light Company, 1100 H Street, N.W., Washington, D.C. 20080, and to any other party of record.

Within five (5) days of the receipt of any notice of protest, NVNG shall serve upon each protestant a copy of all material now or hereafter filed with the State Corporation Commission.

Any person who expects to submit evidence, cross-examine witnesses or otherwise participate in the proceeding as a protestant, pursuant to Rule 4:6, shall file, on or before November 9, 1990, an original and fifteen (15) copies of a protest with the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23216, referring to Case No. PUE900016 and shall simultaneously send a copy thereof to NVNG's counsel: Donald R. Hayes, Esquire,

Washington Gas Light Company, 1100 H Street, N.W., Washington, D.C. 20080, and to any other protestant.

On or before November 9, 1990, each protestant shall file with the Clerk of the Commission an original and fifteen (15) copies of the prepared testimony and exhibits the protestant intends to present at the December 5, 1990 hearing and shall simultaneously send a copy to the Company's counsel and to any other protestant. Service shall be directed to the Company's counsel at the following address: Donald R. Hayes, Esquire, Washington Gas Light Company, 1100 H Street, N.W., Washington, D.C. 20080.

Any party participating as a protestant should review the instructions regarding discovery set forth in the Commission's Order in this proceeding dated June 27, 1990.

All written communications to the Commission should be directed to George W. Bryant, Jr., Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23216, and should refer to Case No. PUE900016.

NORTHERN VIRGINIA NATURAL GAS,
A DIVISION OF WASHINGTON GAS LIGHT COMPANY

(15) That, on or before September 6, 1990, NVNG shall serve a copy of this Order upon the Commonwealth's Attorney and the chairman of the board of supervisors of each county and on the mayor or managers and the attorney of every city and town (or equivalent officials in counties, towns, and cities having alternate forms of government) within the service territories in this State in which NVNG offers service. Service shall be made by first-class mail to the customary place of business or residence of the person served; and

(16) That, at the commencement of the hearing scheduled herein, NVNG shall provide to the Commission proof of the notice and service required by ordering paragraphs (14) and (15) herein.

CASE NO. PUE900018
DECEMBER 17, 1990

APPLICATION OF
HIGHLAND LAKE WATER WORKS, INC.

To increase its tariffs pursuant to Va. Code § 56-265.13 et seq.

FINAL ORDER

On October 23, 1989, Highland Lake Water Works, Inc. ("Applicant" or "the Company") notified the State Corporation Commission that it intended to change its rates and charges in accordance with the Small Water or Sewer Public Utility Act. Due to its failure to comply with requisite notice procedures, Applicant filed a new "Notice of Increases and Changes in Rates and Charges" on January 30, 1990. The new rates became effective April 1, 1990, on an interim basis. By March 7, 1990, the Commission had received objections to the new rates from more than 25% of Company's customers.

Pursuant to the Commission's order dated April 13, 1990, and the Hearing Examiner's Ruling of June 7, 1990, a hearing was convened on July 9, 1990, for the sole purpose of hearing public witnesses. Mr. Davis L. Brooks appeared as a public witness and testified in opposition to Company's proposed rates.

The case was reconvened on October 11, 1990. At the October 11 hearing, David W. Shreve appeared as counsel for the Applicant and Marta B. Davis as counsel for the Commission. At that time the Company moved to withdraw its application. In support of its motion the Company stated that:

(1) A public relations problem existed with customers;

(2) The Company was considering institution of a metered rate system;

(3) The Company needed to reconsider its accounting system; and

(4) The Company was undecided on the appropriateness of the availability fee.

The Company was advised by the Hearing Examiner that the rates in effect prior to April 1, 1990, would be substituted for those rates in effect on an interim basis, and that a refund of the excess monies collected would have to be made. Applicant gave its assurance that adequate service would be provided under the rates effective prior to April 1, 1990. Applicant's motion was granted.

On November 15, 1990, the Hearing Examiner filed his report. In his report the Examiner found that, since the Company had withdrawn its application, the additional revenues collected pursuant to Company's interim rates were not justified. The Examiner found that, pursuant to Virginia Code § 56-265.13:6, the Company should refund with interest any rates, fees and charges in excess of those approved by the Commission on January 1, 1988. The refund interest should be computed from the date payment is due until the date refunds are made, at an average prime rate for each calendar quarter. The Examiner defined the applicable average prime rate as the arithmetic mean of the prime rate values published in the Federal Reserve Bulletin or in the Federal Reserve's "Selected Interest Rates" (Statistical Release G.13) for the preceding three months of the

calendar quarter. The arithmetic mean should be calculated to the nearest one hundredth of one percent, and interest should be compounded quarterly. The Examiner stated that Applicant should bear all costs of refunding.

In his report the Hearing Examiner recommended that the Commission enter an order that:

(1) Adopts the findings of his report;

(2) Directs a prompt refund, with interest, of any rates, fees and charges collected in excess of the rates, fees and charges approved by the Commission as of January 1, 1988; and

(3) Dismisses this case from the Commission's docket of active cases.

No comments were filed to address the Hearing Examiner's Report.

NOW THE COMMISSION, is of the opinion and finds, that the findings and recommendations of the Hearing Examiner are reasonable and should be adopted. Accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner are adopted;

(2) That the Company shall issue a prompt refund, with interest calculated in accordance with the Hearing Examiner's recommendations, of any revenue collected during the interim period in excess of the rates, fees and charges approved by the Commission on January 1, 1988; and

(3) That there being nothing further to come before the Commission in this proceeding, this matter shall be closed and the papers placed in the file for ended causes.

CASE NO. PUE900019
APRIL 23, 1990

APPLICATION OF
OLD DOMINION POWER

To revise its fuel factor

ORDER ESTABLISHING 1990/91 FUEL FACTOR

On March 19, 1990, Old Dominion Power Company ("Old Dominion" or "the Company") filed with the Commission an application, exhibits and proposed tariffs intended to increase its zero-based fuel factor from 1.274 cents per kilowatt hour (¢/kWh) to 1.486¢/kWh, effective for services rendered on and after May 1, 1990. The proposed 1.486¢/kWh fuel factor was based on a projected average fuel cost of 1.483¢/kWh for the twelve months ending April 30, 1991, and a correction factor of 0.034¢/kWh, both adjusted for gross receipts taxes.

By order dated March 21, 1990, the Commission established a procedural schedule for the processing of Old Dominion's proposed revision of its fuel factor. In that regard, the Commission directed the Staff to file testimony and directed Old Dominion to publish notice. No protests were filed.

On April 9, 1990, the Commission Staff filed a Report in which it found that the level of fuel expenses as projected by Old Dominion for the twelve months ending April 30, 1991, was reasonable.

The hearing in this case was held on April 18, 1990. At the hearing the Company tendered its proof of notice, and the Company's application and exhibits and Staff Report were admitted into the record without the need for cross-examination. In addition, the Company reduced its proposed fuel factor to 1.477¢/kWh. The reduction in the Company's proposed fuel factor reflected actual fuel expense recovery through March 31, 1990. The Commission Staff did not oppose the revised fuel factor.

Upon consideration of the record in this case, the Commission is of the opinion and finds that a zero-based fuel factor of 1.477¢/kWh is just and reasonable and should be approved. Accordingly,

IT IS THEREFORE ORDERED:

(1) That a zero-based fuel factor of 1.477¢/kWh be, and the same hereby is, approved effective for services rendered on and after May 1, 1990; and

(2) That this case is continued generally.

CASE NO. PUE900023
APRIL 30, 1990

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For an expedited increase in rates

PRELIMINARY ORDER

On March 30, 1990, Virginia Electric and Power Company ("Virginia Power" or "Company") filed an application, supporting testimony, and exhibits for an increase in its electric rates. The proposed rates are designed to produce additional annual operating revenue of $147,500,000. The test year is the 12 months ended December 31, 1989. Virginia Power requests an expedited increase, with the schedules of rates, terms and conditions filed in its application to go into effect on May 1, 1990, subject to refund pending a final decision in this case.

On April 13, 1990, the Division of Consumer Counsel, Office of the Attorney General ("Consumer Counsel") filed a Motion to Dismiss this case. In the alternative, the Consumer Counsel requested conversion of the instant case to a general rate case. On April 18, 1990, the Virginia Committee for Fair Utility Rates ("VCFUR") filed its Motion to Limit Issues or to Convert the Case to a General Rate Case. Both the Consumer Counsel and VCFUR argued that Virginia Power's filing did not comply with this Commission's expedited rules.

On April 23, 1990, Virginia Power filed its Response to the motions. In its Response, Virginia Power argued that it is essential to address projected construction work in progress ("CWIP") and, that the Commission had directed it to consider the regrouping of Schedules 5 and 6 in this case. It conceded certain other issues raised in its application were not addressed in its most recent general rate case. Those issues include certain post retirement benefits for Company employees and the summer/winter differential currently in its rates. In addition, while new customer connection charges were briefly mentioned in the Company's application, Virginia Power does not propose that the charges be addressed at this time. The Company argues that no adjustment was proposed in connection with each of these additional issues and it was simply inviting early attention to them. On April 26 and 27, 1990, VCFUR and the Consumer Counsel respectively filed Replies to Virginia Power's Response.

The Commission has reviewed the Motions of the Consumer Counsel and VCFUR and the subsequent pleadings. Under Rule II of the Commission's Rules Governing Utility Rate Increase Applications (Case No. PUE850022, August 21, 1985), a utility may file for an expedited increase in rates as long as it has not experienced a substantial change in circumstances. Virginia Power filed its application as an expedited case based on the proposition that its circumstances had not changed substantially. We disagree. Virginia Power's construction program has changed dramatically. If a substantial change in circumstances has occurred, the Commission may take "appropriate action" under Rule II.

The changed circumstances we find in this case do not warrant exclusion of the projected CWIP issue. On the contrary, Virginia Power's proposed construction of several generating units (Case Nos. PUE880083, PUE890007, and PUE900006) reflects a substantial change which warrants our consideration of that issue now. Notwithstanding our disagreement that Virginia Power has experienced a substantial change in circumstances, we find it "appropriate" within the meaning of Rule II to consider the projected CWIP issue in this case.

We also find it appropriate, pursuant to our Order in Virginia Power's last rate case, Case No. PUE890035, January 12, 1990, to address the regrouping of Schedules 5 and 6 in this case. In that order we specifically directed the Company to present its recommendations for regrouping those two rate schedules in its next rate filing.

The remaining issues identified in the Motions relate to post retirement benefits, connection charges and the summer/winter differential. The Company is not requesting implementation of these changes in this case, and in fact, indicates that the new connection charges will be the subject of a subsequent case. These issues should be removed from consideration here. Inclusion of these issues would serve no useful purpose in the efficient treatment of the Company's expedited filing, but rather, might encumber the record. We therefore find it appropriate to remove these issues from consideration in this case.

NOW HAVING CONSIDERED the application, the Motions and related pleadings and having been advised by the Staff Interim Report dated April 24, 1990, the Commission finds that, the Motion to Dismiss filed by the Consumer Counsel should be denied and the Motion of VCFUR to Limit Issues should be granted in part. The Commission further finds that based on the application, supporting testimony and exhibits there is a reasonable probability that the requested increase will be justified upon full investigation and hearing. Virginia Power therefore should be allowed to implement its proposed rates on an interim basis subject to refund with interest. A subsequent order directing notice and scheduling the case for hearing will be entered.

ACCORDINGLY, IT IS ORDERED:

(1) That the Motion to Dismiss filed by the Consumer Counsel is denied;

(2) That the Motion to Limit Issues filed by VCFUR is granted in part as discussed above; and

(3) That an interim increase in rates designed to produce additional gross annual revenue of $147,500,000 shall be applied to service rendered on and after May 1, 1990, and that such interim increase shall remain subject to refund with interest until such time as the Commission has determined this case.

CASE NO. PUE900024
APRIL 20, 1990

APPLICATION OF
OLD DOMINION POWER COMPANY

For an expedited increase in rates

PRELIMINARY ORDER

On March 30, 1990, Old Dominion Power Company ("Old Dominion" or "Company") filed an application, supporting testimony, and exhibits for an increase in its electric rates. The proposed rates are designed to produce additional annual operating revenue of $1,277,919. The test year is the 12 months ended December 31, 1990. Old Dominion requests an expedited increase, with the schedules of rates and terms and conditions filed in its application to go into effect on May 1, 1990, subject to refund pending a final decision in this case.

NOW HAVING CONSIDERED the application, and having been advised by Staff, the Commission finds that, based on the application and supporting testimony and exhibits there is a reasonable probability that the requested increase will be justified upon full investigation and hearing. Old Dominion therefore should be allowed to implement its proposed rates on an interim basis subject to refund with interest. A subsequent order directing notice and scheduling the case for hearing will be entered.

ACCORDINGLY, IT IS ORDERED that an interim increase in rates designed to produce additional gross annual revenue of $1,277,919 shall be applied to service rendered on and after May 1, 1990, and that such interim increase shall remain subject to refund with interest until such time as the Commission has determined this case.

CASE NO. PUE900024
SEPTEMBER 5, 1990

APPLICATION OF
OLD DOMINION POWER COMPANY

For an expedited increase in rates

FINAL ORDER GRANTING INCREASE

On March 30, 1990, Old Dominion Power Company (Old Dominion or Company) applied for an expedited increase in rates and charges for electric service. Based on a test year of the twelve months ended December 31, 1989, Old Dominion proposed rates and charges designed to produce $1,277,919 in additional gross annual operating revenues. By Order of April 20, 1990, the Commission authorized the proposed rates and charges to take effect on May 1, 1990, on an interim basis and subject to refund, pending final decision on the Application. Subsequently, we assigned this matter to a hearing examiner and scheduled a public hearing for July 30, 1990.

Hearing Examiner Glenn P. Richardson filed his Report on August 10, 1990. Examiner Richardson found that Old Dominion gave proper notice of its Application and that no protestants or intervenors participated in the proceeding. At the hearing, Old Dominion and the Commission Staff filed a stipulation designed to resolve all outstanding issues in the case. In his Report, the Examiner recommended that the Commission adopt the stipulation and enter an appropriate final order. In substance, the stipulation recommended for our consideration provides for an increase in annual operating revenues of $850,778 and for refund of excess revenues collected under the interim rates and charges. In the stipulation, Old Dominion also agreed to implement a number of accounting procedures recommended by the Commission Staff.

After considering the record in this proceeding, including the stipulation, and the Report of Examiner Richardson, the Commission accepts the Examiner's recommendations, and we adopt his findings as our own. The record, we find, supports the parties' agreement on the aggregate actual costs of providing service in Virginia, after normalizing for nonrecurring costs and adjusting for expenses that are not speculative and that are reasonably predictable. We also adopt the Examiner's recommendation that rates be designed to produce $850,778 in additional annual operating revenues. Revising particular rate schedules to produce additional revenues as recommended in the Report will provide for reasonable classifications of customers and move the returns for various classes of service to parity with Old Dominion's overall rate of return. The additional annual operating revenues from Virginia customers will allow recovery of the costs of providing service and an opportunity to earn a fair return on rate base.

In determining a fair return on rate base in this expedited proceeding, the Commission does not prescribe a new return on equity but employs the return on equity, 13%, determined in Old Dominion's Case No. PUE870018, an expanded annual informational filing. Using a 13% return on equity and the consolidated capital structure and costs of debt and preferred stock of Old Dominion's parent, Kentucky Utilities Company, the Company and Staff stipulated an overall rate of return of 11.058%. We agree with the Examiner that this return is reasonable. The interim rates would produce, on an annual basis, operating revenues in excess of the amounts necessary to cover costs and to provide an opportunity to earn an 11.058% return on rate base. Accordingly, we will also adopt the Examiner's recommendation that excess revenues be refunded. Finally, we will require Old Dominion to institute certain accounting procedures agreed to in the stipulation.

Accordingly, the Commission makes the following findings of fact:

(1) That the use of a test year of the twelve months ending December 31, 1989, is appropriate and proper;

(2) That the Company's test-year operating revenues from service in Virginia, after all adjustments, were $37,001,439;

(3) That the Company's test-year operating revenue deductions, after all adjustments, were $33,564,215;

(4) That the Company's test-year net operating income and adjusted net operating income from Virginia service were $3,437,224 and $3,405,074 respectively;

(5) That, as of December 31, 1989, the Company's adjusted test-year Virginia rate base was $35,734,262;

(6) That the Company earned a return on the adjusted test-year Virginia rate base, as of December 31, 1989, of 9.53% which provided a return on equity of 10.11% for the test year;

(7) That the Company's authorized return on equity is 13.00%;

(8) That, based on the consolidated capital structure of Kentucky Utilities Company as of December 31, 1989, the Company's overall cost of capital is 11.058%;

(9) That the Company requires $850,778 in additional gross annual revenues from Virginia service to have an opportunity to earn a return on rate base of 11.058%;

(10) That the additional gross annual revenues of $850,778 should be allocated among the various customer classes as follows:

Rate Class	Increase
Residential (RS)	$577,983
General Service (GS)	65,828
Large Power Service (LP)	191,689
Water Pumping (m)	1,502
Customer Outdoor Lighting (C.O.L.T.)	13,776
	$850,778

(11) That the Company's proposed rates and charges effective on an interim basis subject to refund on May 1, 1990, are designed to produce $1,277,000 in additional gross annual revenues and would generate a return on rate base in excess of 11.058%.

The Commission makes the following conclusions of law:

(1) That rates and charges designed to produce $850,778 in additional gross annual revenues and allocated among rate classes as in finding of fact (10) above will be just and reasonable and provide the Company an opportunity to earn a reasonable return on rate base, 11.058%;

(2) That, to the extent the interim rates produced in excess of $850,778 in additional gross revenues on an annual basis, these rates are unjust and unreasonable and the excess revenues must be refunded to customers.

Accordingly, IT IS ORDERED:

(1) That, on or before September 14, 1990, Old Dominion shall file a revised schedule of rates and charges designed to produce $850,778 in additional gross annual revenues and to allocate this increase in gross annual revenues among the classes as found above; and that this revised schedule of rates and charges bear an effective date of September 21, 1990, and apply to all bills rendered on and after that date;

(2) That, on or before December 1, 1990, Old Dominion shall refund, with interest as directed below, all revenues collected under the interim rates effective for service rendered on and after May 1, 1990, to the extent such revenues exceed, the revenues which would have been had rates prescribed in this Order been in effect for service provided on and after May 1, 1990;

(3) That the interest upon the amounts refunded shall be computed from the due date of each bill rendered during the interim period to the date of refunding at the average prime rate for each calendar quarter; the applicable average prime rate for each calendar quarter shall be the arithmetic mean, to the nearest one hundredth of one percent of the prime rate values published in the Federal Reserve Bulletin or the Federal Reserve Board's "Selected Interest Rates" (Statistical Release G.13) for the three months of the preceding calendar quarter and that the interest be compounded quarterly;

(4) That the refunds ordered above may be accomplished by crediting the amount of refund to current customers' accounts and indicating such refund as a separate item on each bill; refunds to former customers amounting to $1 or more shall be made by check mailed to the customer's last known address; refunds to former customers amounting to less than $1 may be held by the Company; provided however, a refund of less than $1 must be made if application is received from the former customer within one year of the date of this Order; all unclaimed or otherwise unpaid refunds shall be presumed abandoned as provided by § 55-210.6:2 of the Code of Virginia;

(5) That, on or before January 2, 1991, Old Dominion shall file with the Commission's Directors of Public Utility Accounting and Energy Regulation a report showing that refunds have been made and listing the costs of the refund and accounts charged; the list of costs shall include, inter alia, computer costs, personnel hours, associated salaries, and expenses of verifying and correcting any computer refund program;

(6) That Old Dominion shall bear all costs of refunding;

(7) That Old Dominion shall adopt the following accounting recommendations made by the Commission Staff:

(a) Partial capitalization of employee benefits and pension costs effective January 1, 1990;

(b) Accrual of pension costs in accordance with SFAS 87 effective January 1, 1990;

(c) Recordation of the reversal of excess deferred tax over three years beginning May 1, 1990 (with the rate year); and

(d) Recordation of an annual offset of the normal deferred tax amortization associated with the excess deferred tax over 12 years effective May 1, 1990;

(8) That, on or before September 21, 1990, Old Dominion shall make a copy of the transcript of the hearing available for public inspection during regular business hours at its business office serving the largest community within its Virginia service territory;

(9) That this matter be dismissed from the docket of active proceedings and the papers herein be transferred to the files for ended cases.

CASE NO. PUE900029
APRIL 25, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of adopting Commission Rules for Electric Capacity Bidding Programs

ORDER ESTABLISHING COMMISSION INVESTIGATION

On January 29, 1988, in Case No. PUE870080, the Commission issued a Final Order adopting Commission policy regarding the purchase of electricity by public utilities from qualifying facilities when a surplus of power appears to be available. 1988 SCC Ann. Rpt. 297. Specifically, the order determined that a properly conceived and implemented bidding procedure is lawful under the Public Utility Regulatory Policies Act of 1978, 16 U.S.C. § 2601 et seq. (1978) ("PURPA") and the applicable Federal Energy Regulatory Commission ("FERC") Regulations. In that order, we determined that many factors will play a part in determining the value of a particular project and highlighted several factors, in addition to price, which might properly be used to distinguish among proposals submitted to a utility. Those factors included: use of Virginia fuels, manpower, and other State resources; a high percentage of steam or electricity usefully employed by the host firm; benefits to be derived by the industries and communities associated with particular projects; demonstrated financial viability; the developer's previous successful experience in this field; and any other identifiable economic and societal benefits to the people of the Commonwealth.

The Commission envisioned a system in which a utility determining a need for additional power would issue a form of "Request for Proposals" ("RFP") identifying its requirements and the factors to be used in selecting projects to meet those needs. Upon receipt of proposals, the utility would then review the responses and select those projects which appeared best to meet the utility's needs. Specific contract details could then be negotiated. Such a system of competitive negotiation appeared to provide an efficient and fair means of selecting capacity acquisitions.

In that order, we stressed that the guidance provided therein was general in nature, and further, that consideration of exact procedures would await a later time when proposals were brought before us in an appropriate context, with a full opportunity afforded interested parties to present evidence and be heard. 1988 SCC Ann. Rpt. at p. 298. It was our hope that the guidelines established in that order would provide a first step in our continuing evaluation and regulatory oversight of this industry. However, we also recognized that the process was evolving and would require our constant attention.

Since the Commission issued that order, one utility subject to our jurisdiction, Virginia Power, has issued several requests for proposals and contracted for a significant amount of capacity through the bidding process. Independent power producers have entered the Virginia market through that process. In addition, other utilities have expressed a keen interest in such a process for prospective capacity acquisitions. Specific questions related to the bidding process also have arisen in a number of recent Commission proceedings. Issues regarding an appropriate benchmark which would allow an effective comparison of capacity purchases to utility construction were raised in the Virginia Power certificate case for the Darbytown Combustion Turbines and the Chesterfield Combined Cycle Unit No. 8, Case No. PUE890007. In addition, the potential exclusivity of a bidding process was raised in an arbitration proceeding between Smith Cogeneration of Virginia, Inc. and Virginia Power, Case No. PUE890076. These and other questions are general in nature and not unique to the cases in which they were raised. We therefore find that it is appropriate to initiate this investigation to revisit the principles discussed in the January, 1988 Order and adopt rules delineating a framework for the contracting process between utilities and other power suppliers (both qualifying facilities under PURPA and non-PURPA independent power producers).

In response to the Smith arbitration petition, Virginia Power expressed its concern that continued arbitration of contracts between utilities and cogenerators operating outside its bidding process would send inappropriate signals about this Commission's acceptance of that process and encourage circumvention of it. We understand that concern. This investigation should not be interpreted as a sign that we have become apprehensive about bidding generally. Rather, it is time for us to clarify the relationships among utility construction of power plants, bidding for capacity purchases, and Commission arbitration of qualifying facilities and utility disputes under PURPA. While we may determine at the conclusion of this investigation that arbitrations should be available in parallel with the bidding process, we will not entertain arbitration petitions between qualifying facilities and utilities pending the issuance of rules in this proceeding.

We shall direct our Staff to conduct an investigation and formulate proposed rules. We encourage all interested and affected persons to provide meaningful input and assistance to the Staff as it conducts its investigation.

After the filing of the Staff's report, we will direct public notice of proposed rules, invite comment, and provide an opportunity for hearing. Accordingly,

IT IS ORDERED:

(1) That this matter shall be docketed and assigned Case No. PUE900029;

(2) That the Commission's Staff is directed to conduct an investigation and to recommend proposed rules governing the contracting process between the utilities subject to our jurisdiction and other power suppliers;

(3) That the Commission's Staff shall file a report on or before June 15, 1990, in which it sets forth its findings, recommendations, and proposed rules;

(4) That all Virginia electric public utilities and cooperatives shall respond fully and promptly to any Staff requests for data in the investigation directed herein; and

(5) That any other interested and affected parties are invited and requested to provide Staff with any data and information pertinent and helpful to its investigation.

CASE NO. PUE900029
NOVEMBER 28, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of adopting Commission rules for electric capacity bidding programs

FINAL ORDER

By Order dated April 25, 1990, the Commission initiated this proceeding to clarify the relationships among utility construction of power plants, bidding programs for capacity purchases, and Commission arbitration of qualifying facilities and utility purchase agreements under the Public Utility Regulatory Policies Act of 1978 ("PURPA"), 16 USC §§ 824a-3 et seq.

The Commission first established policy guidelines for bidding programs in 1988. Ex Parte: In the matter of adopting Commission policy regarding the purchase of electricity by public utilities from qualifying facilities when there is a surplus of power available, 1988 S.C.C. Ann. Rept. 297 ("January 1988 Order"). In that proceeding, we determined that a properly conceived and implemented bidding procedure was lawful. We further identified several nonprice factors which might be used to evaluate proposed projects in conjunction with pricing considerations. Subsequent to the issuance of the January 1988 Order at least one electric utility subject to our jurisdiction has contracted for a significant amount of capacity through the bidding process. Other utilities are interested in implementing similar procedures for prospective capacity acquisitions.

Further, issues relative to the bidding process, including the propriety of an exclusive bidding program and the proper weighting of utility construction compared to purchase options, have arisen in a number of recent certificate and arbitration proceedings filed with this Commission. The growing use of bidding programs and the questions raised in those several proceedings resulted in our determination that it was necessary to initiate this investigation to revisit the principles discussed in the January 1988 Order and to adopt clear rules to delineate a framework for the contracting process between utilities and other power suppliers, both qualifying facilities under PURPA and non-PURPA independent power producers.

In response to our directive in the April 25, 1990 Order establishing this investigation, Staff filed a report in which it set forth its recommendations for proposed rules. By order dated July 19, 1990, we directed our Staff to publish notice of those proposed rules and invited comments from interested parties. Extensive written comments were received from a number of parties including utilities, customers and customer groups, cogenerators and independent power producers. Staff reviewed all of those comments and on October 12, 1990, filed revised proposed rules which incorporated a number of the suggestions offered by the commentors. On October 25, 1990, oral argument was heard from those parties who wished to provide additional comment.

In addition to its written comments, Delmarva Power filed a motion for an exemption. That motion is premature and should be denied. Delmarva should evaluate the Rules promulgated in this order, determine which provisions cause conflicts with the approvals received from other jurisdictions it is subject to, and at that point, if appropriate, renew its motion for exemption from those specific and conflicting provisions.

The Commission has carefully considered the Staff reports and the written and oral comments. The high quality of the comments had aided us in establishing rules which best balance all of the several interests. After reviewing this record, we are of the opinion that bidding programs continue to provide electric utilities with an excellent option for acquiring necessary capacity in an orderly and reasonable manner.

We agree with the Staff recommendation that the rules should provide a broad and flexible framework. There are obvious differences between investor-owned utilities and the cooperatives which must be accommodated in the rules. Each utility has a different customer mix and different existing resources which make their needs widely varied. Electric utilities should be free to establish bidding programs, at their option, if such a process best meets their resource acquisition needs.

A utility which implements a bidding program should start with a well developed resource plan as a foundation. At this time, however, we will not establish a formal approval process within which to review that plan or any bidding program. Our Staff should continue to carefully review and monitor both the resource plans and any bidding programs as they are developed.

A utility with an active bidding program should be free to refuse offers of capacity that have been received outside of its bidding process, although, in accordance with PURPA, offers of energy must continue to be accepted from any qualifying facility. We agree with the Staff's recommendations for exemptions to this general rule, however. Purchases under tariffs from small power producers and cogenerators, short term,

economy and emergency purchases and extensions of existing contracts should be made outside of the bidding process. The rules should not bar a utility from entering into a purchase of extraordinary advantage to it. Under special circumstances a utility and a potential provider may jointly file a petition with the Commission and demonstrate that the opportunity cannot be accommodated in the utility's bidding process and that the terms of the purchase are extraordinarily advantageous. We would expect most contract modifications necessitated by a plant expansion to be accommodated in this manner, unless of course, the expansion is so significant as to warrant treatment as a new and separate project.

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. A utility is free to publish its benchmark in its request for proposals. If the utility uses a sealed benchmark it must be submitted to the Commission prior to receipt of any bids to ensure a fair process.

Finally, the Commission will no longer entertain arbitration proceedings when a utility has an active bidding process in place. It is important that the process not be undermined by allowing a developer to file an arbitration petition which might serve to displace capacity offers made in an established bidding program. We, of course, will resolve any disputes between a utility and an unsuccessful bidder that may arise as a result of implementation of the bidding process.

Significant attention was devoted in oral arguments to the suggestion that the rules be modified to incorporate some type of mechanism to allow developers to pass any unexpected environmental costs through to the utility and subsequently to the utility ratepayer. We believe an automatic pass-through is inappropriate. It would be extremely difficult, if not impossible, to identify the types of costs eligible for such a pass-through mechanism. It was apparent in oral argument that, although more stringent air emission standards are a current and overriding concern, unexpected environmental costs could arise with regard to wetlands and Chesapeake Bay preservation issues, Superfund exposure or a whole variety of other environmental concerns. The developers have elected to operate in an unregulated environment and accordingly, the developer, not the ratepayer, must shoulder the majority of risks associated with the project. To some extent the changes in environmental requirements are a risk which must be factored into the decision to build a power plant. To the extent an extreme circumstance arises, the parties are always free to re-evaluate the existing contract. If the project is still viable, the parties may negotiate appropriate amendments to the contract.

NOW THE COMMISSION, having reviewed the June 15, 1990 and October 12, 1990 Staff reports, the written comments, the oral argument and the applicable law is of the opinion and finds that the revised proposed rules contained in the October 12, 1990 Staff report are reasonable and should be adopted with only one substantive modification and several editorial changes. In our opinion Rule 2 should be revised to allow a utility to solicit proposals from all sources of capacity or to limit its bidding program to PURPA qualifying facilities. Although we believe that in most circumstances all source bidding will optimize the resources available to the utility we will not impose a mandatory requirement to include all sources. The rules are attached hereto as Appendix A. Accordingly,

IT IS ORDERED:

(1) That Delmarva's Motion for an Exemption is denied without prejudice;

(2) That the rules set forth in Appendix A be and hereby are adopted; and

(3) That there be nothing further to come before the Commission, this matter shall be closed and removed from the docket and the papers place in the file for ended causes.

NOTE: A copy of the Rules Governing the Use of Bidding Programs to Purchase Electricity from Other Power Suppliers is on file and may be examined at the State Corporation Commission, Document Control Center, Floor B-1, Jefferson Building, Bank and Governor Streets, Richmond, Virginia.

CASE NO. PUE900032
DECEMBER 28, 1990

APPLICATION OF
CENTRAL VIRGINIA ELECTRIC COOPERATIVE

For a general increase in rates

FINAL ORDER

On April 26, 1990, Central Virginia Electric Cooperative ("CVEC" or "the Cooperative") filed an application for a general increase in its rates with the State Corporation Commission ("Commission"). In its rate application, among other things, CVEC proposed tariff revisions designed to produce $1,385,872 in additional gross annual revenues, after considering the effect of the roll-in of its riders for purchases of electricity and the elimination of its wholesale power cost adjustment ("WPCA") clause. The Cooperative requested in its application that it be permitted to withdraw its WPCA clause, revise portions of its terms and conditions of service, and increase certain of its miscellaneous fees and charges. The Cooperative supported its application with financial and operating data for the twelve months ended December 31, 1989, and requested that its proposed rates be permitted to become effective for meter readings occurring on and after September 24, 1990.

By order dated May 23, 1990, the Commission docketed the Cooperative's application and suspended CVEC's proposed tariff revisions for a period of one hundred and fifty days from the date the application was filed to and through September 23, 1990.

On May 25, 1990, the Commission entered its Order for Notice and Hearing in the captioned matter. In that Order, the Commission appointed a hearing examiner to preside over the proceeding and established a procedural schedule for CVEC, protestants, public witnesses, and the Staff. The Commission set the matter for public hearing before a hearing examiner on October 3, 1990.

On the appointed day, the matter came to be heard by the Honorable Russell W. Cunningham, Senior Hearing Examiner. No public witnesses appeared. Counsel appearing were Evans B. Brasfield, Esquire, counsel for CVEC, and Sherry H. Bridewell, Esquire, counsel for the Commission's Staff.

At the hearing, the Hearing Examiner was advised that CVEC would await the Commission's final order in this proceeding rather than place its proposed rates in effect, under bond, subject to refund, pursuant to Va. Code § 56-238. Also during the proceeding, counsel for CVEC introduced a stipulation document which identified the issues which were agreed to and which remained in controversy between the Cooperative and Staff.

Under the terms of the Stipulation, CVEC and Staff agreed that the Cooperative's proposed revenue increase of $1,385,872 was reasonable. The Cooperative also agreed to accept Staff's accounting testimony and exhibits with the exception of Staff's proposed adjustments for unbilled revenues and roof repairs. It agreed that in future cost of service studies, it would refine its cost of service classification methodology to determine the customer and demand components of its plant distribution accounts and its operation and maintenance distribution accounts, and to classify those accounts accordingly.

Further, the Stipulation reflected an agreement by CVEC and Staff to support the changes in CVEC's terms and conditions of service described below:

1. CVEC should be permitted to substitute a $25 service charge for the present $20 collection charge and to reduce the present $40 reconnection charge to $25.

2. The charge for testing a multiphase meter should be increased from $35 to $39.

3. The allowed footage for a residential line extension which would be made without charge should be reduced from 1,500 to 1,400 feet, and the allowed footage for a seasonal service extension which would be made without charge should be reduced from 500 feet to 450 feet.

4. The following changes should be made in "Provisions for Providing Service to Lots of a Developer" on page 31 of CVEC's proposed terms and conditions of service:

   (a) In paragraph 2, the phrase "average system cost" should be substituted for the phrase "unit standard cost."

   (b) The following sentence should be inserted at the beginning of paragraph 4: "Houses built on lots in the unit shall be served under the terms of the Cooperative's permanent service extension policy."

Staff and CVEC recommended to the Examiner that CVEC be permitted to charge any increased rates approved by the Commission effective for all meter readings occurring on and after the date of the Commission's order granting approval of such rates.

As noted in the Stipulation, Staff took issue with the following changes to the Cooperative's terms and conditions of service:

1. Imposition of a 5% ($10 minimum) charge to customers who elect to make their security deposits in installments;

2. The increase in the minimum level of a security deposit for which payment may be made in installments from $40 to $100;

3. The imposition of a $5 charge for delinquent accounts;

4. The increase from two to three years in the minimum time between free meter tests; and

5. The increase in the charge for financing the cost of a line extension for five years from 20% to 50% and the increase in the monthly minimum charge for financing a line extension from $25 to $100.

In addition, Staff took issue with the Cooperative's proposal to eliminate its WPCA clause.

Cooperative witnesses Ruby C. Dodd and Walter L. Tucker, Jr. and Staff witnesses S. Frank Leis and Rosemary M. Henderson took the stand to address the accounting issues and proposed changes in the Cooperative's terms and conditions which remained in issue. At the conclusion of the testimony of these witnesses, the Hearing Examiner closed the evidentiary portion of the proceeding and issued his Report from the bench. A summary of the Hearing Examiner's findings and recommendations follows.

The Examiner found:

1. That the Cooperative should be permitted to increase its rates by $1,385,872 in additional gross annual revenues;

2. That Staff's accounting adjustments should be accepted, including its adjustments for unbilled revenues and to capitalize certain costs associated with repair of a roof;

3. That the Cooperative's proposed revenue apportionment and rate design should be accepted;

4. That CVEC should not be permitted to eliminate its WPCA clause;

5. That the minimum security deposit which CVEC may permit a customer to pay in installments should be increased from $40 to $75;

6. That CVEC's proposal to impose 5% of a customer's security deposit or a $10 minimum charge to a customer who elects to pay his security deposits in installments should be denied;

7. That the Cooperative's request to increase the time between free meter tests from two to three years should be denied;

8. That CVEC's proposal to charge a $5 fee to offset the expense of monitoring a delinquent account until it is paid or disconnected should be denied;

9. That CVEC's proposal to increase the carrying charge for financing the cost of a line extension from 20 percent of the cost to 50 percent of the cost is denied;

10. That CVEC should be permitted to increase its monthly minimum charge for financing line extensions from $25 to $50;

11. That the terms of the Stipulation between CVEC and Staff were appropriate and should be accepted.

By letter dated October 4, 1990, CVEC, by counsel, advised that it did not desire to take exception to the Hearing Examiner's recommendations. In its letter, CVEC stated that it accepted those recommendations of the Examiner which ruled against it and agreed with all of the other recommendations in the Report. The Cooperative requested that the Commission enter a Final Order accepting and approving the Report.

NOW THE COMMISSION, upon consideration of the record in the proceeding, the Examiner's Report and the applicable statutes, is of the opinion and finds that, with the exception of the Examiner's findings relative to rate design, the findings and recommendations of the Hearing Examiner's Report should be adopted.

More specifically, we find as follows:

(1) That the test period for the twelve months ended December 31, 1989 is a reasonable test period to employ to establish rates in this proceeding;

(2) That Staff's accounting adjustments, including its adjustments to recognize unbilled revenues and to capitalize certain costs related to roof repairs, should be accepted;

(3) That CVEC's total operating revenues for the test period, after adjustments, were $22,125,110;

(4) That CVEC's total operating revenue deductions for the test period, after adjustments, were $20,937,062;

(5) That the Cooperative's operating margins for the test period, after adjustments, were $1,188,048;

(6) That for the test period, after all adjustments, the Cooperative's rate base was $26,231,412, and the Cooperative earned a 4.51% return on its rate base and an actual TIER of 1.09, based upon a proforma level of interest expense paid by CVEC on its long term debt;

(7) That the Cooperative should be permitted to increase its base revenues and other revenues by $1,385,872;

(8) That the Hearing Examiner's recommendations with respect to the Cooperative's revisions to its terms and conditions of service and miscellaneous fees and charges are accepted;

(9) That, consistent with the Hearing Examiner's recommendation, CVEC may not eliminate its WPCA clause;

(10) That the terms of the Stipulation between the Cooperative and Staff, including those relating to substitution of a $25 service charge for CVEC's current $20 collection charge, reducing its reconnection charge to $25, increasing the charge for testing a multiphase meter to $39, reducing the allowed footage for a residential extension made without charge to 1,400 feet, reducing the allowed footage for a seasonal service extension made without charge to 450 feet, and the revisions specified in the Stipulation to page 31, "Provisions for Providing Service to Lots of a Developer," of CVEC's terms and conditions of service, are reasonable and should be accepted; and

(11) That, in future cost of service studies, CVEC should refine its cost of service classification methodology so as to determine the customer and demand components of its plant distribution accounts and its operation and maintenance distribution accounts, and it should classify those accounts accordingly.

After considering the record, we find that the Cooperative's revenue apportionment proposal is reasonable and accept the Examiner's recommendation on this issue. The determination of the appropriate level of revenues to be apportioned to customer classes generally involves the exercise of informed judgment. In the instant case, both the Staff's and the Cooperative's revenue apportionment proposals provide movement to parity without significantly impacting a particular customer class. The Staff, however, recommends that no increase be allocated to the Large Power, Industrial, and Security Lights classes. The Cooperative proposes minimal increases to these classes.

The ratemaking process, by its nature, involves the balancing of competing goals to arrive at an effective and fair result for both the utility and its customers. Movement toward parity is only one goal among several that must be taken into account when apportioning revenue. If a rate

increase is needed to offset increases in rate base and operating costs, the final rates for each customer class should generally reflect this fact. We will, therefore, adopt the Cooperative's recommended revenue apportionment in this proceeding.

The Hearing Examiner also accepted the Cooperative's proposed rate design. We disagree with the Examiner on this issue. In this proceeding, Staff has suggested alternative rate proposals for all rate schedules except the Security Lights schedule. The customer charge, demand charge, and energy prices found in Staff's proposed rates are based on Staff's findings relative to CVEC's cost of service study. Staff's alternative rates include a fixed monthly customer charge of $6.25 for the Residential class and $6.50 charge for the General Services class. Staff's first block of energy prices appears to be somewhat lower than the Cooperative's proposed rates, reflecting the shift of some customer costs to the fixed charge. Under Staff's proposal, the minimum charge on the Residential and General Service classes would be the same as Staff's customer charge and, likewise, would exclude an allowance for kWh usage. The Staff states that its recommended customer charges for the Residential and General Service classes would result in rate structures which send more correct price signals to CVEC's customers about the cost of providing electric service when no energy is consumed.

The Cooperative offered limited rebuttal testimony opposing Staff's recommended customer charge. CVEC asserted that Staff's customer charge would make it difficult to recover its costs from customers whose electrical usage might be little more than zero for six or more months during the year. The Cooperative presented little evidence supporting this assertion. For example, it did not provide the number of seasonal Residential and General Service customers it serves.

After review of the record, we are not persuaded by CVEC's arguments on this issue. Instead, we agree with Staff that it is appropriate to implement customer charges for the Residential and General Service classes in order to send more correct price signals to CVEC's customers about the cost of providing electric service when no energy is consumed. If the Cooperative believes its seasonal customers are not paying the costs associated with providing service to them, CVEC may wish to propose a rate schedule designed specifically for seasonal customers in its next rate proceeding. If CVEC decides to propose this schedule in its next rate proceeding, it should provide sufficient data supporting the schedule as part of its rate application.

In sum, we find that the Cooperative should design its rates in accordance with the principles reflected in Staff witness Henderson's proposed rates. The final rates filed in this proceeding should be adjusted to reflect the revisions to CVEC's fees and charges accepted by the Hearing Examiner and adopted herein.

Accordingly, IT IS ORDERED:

(1) That, with the exception of the findings and recommendations addressing rate design, the recommendations of the October 3, 1990 Hearing Examiner's Report are adopted;

(2) That, consistent with the findings made herein, CVEC shall forthwith file with the Commission revised tariffs designed to recover $1,385,872, which tariffs shall be effective for all meter readings made by the Cooperative on and after the date of this order;

(3) That CVEC shall not eliminate its WPCA clause, and the $1,385,872 increase in additional gross annual revenues authorized in Ordering Paragraph (2) above shall be calculated exclusive of the effects of the monthly fuel adjustment section of CVEC's WPCA clause;

(4) That, in future cost of service studies, CVEC shall refine its cost of service classification methodology so as to determine the customer and demand components of its plant distribution accounts and its operation and maintenance distribution accounts, and CVEC shall classify those accounts accordingly; and

(5) That there being nothing further to be done herein, the same is hereby DISMISSED.

CASE NO. PUE900033
OCTOBER 3, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of adopting Rules Governing the Certification of Notification Centers Pursuant to § 56-265.16:1 of the Code of Virginia

FINAL ORDER

Pursuant to § 56-265.16:1 of the Code of Virginia, the Commission drafted a set of proposed Rules Governing the Certification of Notification Centers. By order of May 1, 1990 we directed that public notice be published inviting comments on the proposed rules. Opportunity for a public hearing was offered if anyone requested it. Comments were received from six parties. None requested a hearing. The Comments suggested several meritorious modifications or clarifications to the proposed rules. This order addresses the comments and changes to the proposed rules. The Rules to be adopted are set out in Appendix A, attached hereto.

The Potomac Edison Company wished to be assured that it would receive specific notice of notification center applications for the area in which Potomac Edison serves. It requested that Rule 2 be modified to provide that "Notice of the application shall be given to the general public, to governmental officials, and to operators within the applicant's proposed area as required by the Commission in its initial order docketing the case for consideration." It is essential that utilities be notified of applications for certificates, so such a requirement will be adopted.

Shenandoah Telephone Company submitted extensive comments. In general, Shenandoah was concerned that all of the cost of utility locate services were being borne by utility ratepayers rather than being shared by the excavators who were receiving the benefits of a simplified, one-

call notification process. Shenandoah proposed that Rule 2 require a copy of any notification center application for certification to be given to all utilities and owners of underground facilities. As noted above, this will be required.

Shenandoah proposed that Rule 3 be revised to require a showing of the financial viability of an applicant to establish a notification center. While this may be considered during the certification process, the Commission chooses not to write it into the Rules at this time. Shenandoah also wished to revise Rule 4 to require that maps filed by the notification center identify the service territories of the utilities operating within the area proposed to be covered. It also urged that notification centers pass on to each utility only those locate requests which actually fall within the utility's service territory. It would require that the notification center have detailed maps on which they could locate the proposed excavation site and that these maps also include detailed depictions of the utilities serving in that area. Shenandoah gave the example of a notification center operating from a county-wide map which must notify every utility with facilities in that county about a proposed excavation affecting only a small portion of the county. Such a locate request is an unnecessary burden to a utility with only a few facilities in a remote part of the county far from the proposed excavation. Shenandoah also urged uniform prices per notification. It cited instances where some notification centers charge a lower rate per notification to a utility accepting locate requests on a county-wide basis as opposed to utilities accepting locate requests on a more detailed grid basis.

The Commission does not wish to have detailed maps such as those urged by Shenandoah filed with the Commission. Each notification center will be intimately familiar with the service territories of the utilities operating within its area. For the Commission's purposes, though, all that is needed is a state map depicting in general what counties, cities and towns fall within a notification center's certificated territory. This information will be sufficient to direct any citizen to the proper notification center for a given geographic area. The notification centers must, and apparently do, maintain detailed maps from which they can pinpoint the site of a proposed excavation and notify the utilities with nearby underground facilities to go and mark those facilities. If a notification center is not providing sufficient detail about the precise location of a proposed excavation, the utilities working with that notification center need to renegotiate the amount of detail to be furnished.

Shenandoah proposed that Rule 5(f) be modified to require the transmittal of notification requests within one hour of receipt. This objective will probably be achieved, but we do not wish to place it in the rules. It also requested that Rule 5(h) specify the amount of liability insurance coverage for each certificated notification center. This will not be done at this time because we have no experience on what amounts should be specified. Also, Shenandoah wanted the rules to place liability for any damages to utilities' facilities or excavators' equipment upon the notification center if the center failed to provide adequate information to the utility. Liability should be established by statutory or common law. The Commission should not seek to determine it by the process of making rules.

Shenandoah urges that the notification center be obligated to provide the utility a reasonably accurate description of the proposed excavation site. At a minimum, this should be the street address or house number, where any exist, and, where none exist, the distance and direction to the nearest named or numbered public roads. This suggestion is incorporated into revisions to Rule 5.

Shenandoah notes that proposed Rule 6 would give a monopoly to the notification center certificated to a given geographic area. Shenandoah states that this should carry with it Commission authority for establishing the center's rates and service. The Code does not give the Commission jurisdiction over a center's rates and services. Shenandoah's concerns about the monopoly are addressed below by Washington Gas Light's proposed new rule.Shenandoah suggested that the Commission should reserve the authority to require a notification center to serve an area currently having no notification center service. This would assure that no area of the Commonwealth will be without the protection of a notification center. While this notion is commendable, it appears to be outside the scope of the Commission's jurisdiction under the Code.

Shenandoah also proposed that notification centers have some method to charge excavators for the benefits they receive from a one-call notification center. An alternative to having excavators pick up part of the cost of the notification center would be to require a participating utility to pass along its costs to the person who had requested the locate. Again, it appears to be outside the Commission's authority to assess charges to excavators.

Shenandoah suggests the Commission consider alternative ways of dealing with excessive complaints against a certificated notification center. To revoke certification without having a provider of last resort could leave portions of the Commonwealth where utilities and contractors do not have a central notification center. In the unlikely event that a certificate is ever revoked, an alternate or successor notification center will probably seek the territory of the prior center. The Commission does not appear to have the authority to impose territory on a notification center that does not desire that territory.

Finally, Shenandoah suggests that a notification center inform any excavator requesting a locate of the rules and time frames the utility has to respond to the request. Also, if a utility is to charge a fee to the excavator making the request, the notification center should advise them of that fee. The first suggestion is incorporated into Rule 5.

United Cities Gas Company (United Cities) suggests that Rule 5(d) define emergency service in such a manner that it will be available for true emergencies and not for requesting parties who simply failed to make their request during regular working hours. United Cities also suggested a modification to Rule 5(f) to eliminate the requirement that routine messages be relayed within one hour of receipt if that were to require the maintenance of additional operators or equipment. Instead, it was suggested that messages be queued according to their priority so that high priority messages would be transmitted to utilities first. Finally, United Cities urged the Commission to tailor the notification center rules to avoid expensive and unnecessary operations of the notification centers. Each of these suggestions is worthy but would involve the Commission in more detailed regulation of notification centers than the Code seems to contemplate. Utilities should be able to negotiate these finer points with their notification centers.

The Virginia, Maryland, Delaware Association of Electric Cooperatives ("Association") suggested that Rule 4 specify that the maps to be submitted with the application be of such a detailed grid that the notification center could determine precisely which utility operators had facilities near the site of a proposed excavation. Detailed maps would prevent utilities from receiving unnecessary calls and marking facilities that were in fact nowhere near the proposed excavation. The Association also suggested that the fees, prices and other charges of notification centers be placed on file at the Commission for public inspection. As addressed earlier, detailed maps are to be kept and used by the notification centers. They are not needed at the Commission. The Commission does not desire to have the schedules on file since it does not exercise control over notification center fees.

The Virginia Underground Utility Protection Service, Inc. (Service) is concerned about the expense an applicant would incur to publish notice of its application in newspapers throughout the Commonwealth as well as the cost of mailing notice to a large number of governmental officials. The Service requested that Rule 2 be modified such that an applicant meets all notice requirements simply by filing its application with the Clerk of the Commission. Such notice would not inform the people that need to know about applications. However, the Commission believes it can dispense with publication and provide notice through the Virginia Register and mailings to utilities and local officials.

The Service pointed out what appears to be a typographical error with Rule 5(a) as published in the Commission's Order of May 1, 1990. That Rule provides that a notification center should be reached by a toll-free telephone call from ". . . any point within the Commonwealth; sought by the application." The Service says the last four words should have been omitted. It was intended that the notification center be reached by a toll-free telephone call from any point within the Commonwealth and the correction will be made.

The Service requested that Rule 7 be clarified to confirm the plenary authority of a notification center to terminate service to a participating operator for not abiding by the terms and conditions of participation or membership. For instance, a utility that did not pay its account for services received should be terminated at the sole option of the notification center without an appeal to the Commission. Reinstatement should be at the sole discretion of the notification center based upon the governing documents between the notification center and the utilities. Such provisions should be made clear in the agreements or documents governing the relationship between utilities and the center. The Commission does not need to address this in rules, but will modify Rule 7 to make clear that it does not regulate the relationship between operators and centers.

The Service wished a clarification of Rule 8 to specify the meaning of the term "excessive" complaints. It desired specifying the number of complaints and over what period of time would be considered "excessive" by the Commission. We do not believe a specific definition would cover all the contingencies the Commission might face in the future. The Commission should be free to judge the gravity of complaints on a case by case basis.

The final commentor was Washington Gas Light Company (WGL). The primary concern of WGL was that the notification center for a given area might have the market power to extract monopoly rents if there were no alternative notification centers or no process for the certification of an alternative. WGL did not wish for a private operator of a notification center to have a permanent right to operate that center. To correct this, WGL proposed a new Rule 8 together with a concomitant reference in Rule 6 and the renumbering of old Rules 8 & 9 as 9 & 10, respectively. The new Rule 8, proposed by WGL would read as follows:

> An application for a certificate may be submitted for a geographic area (1) for which a certificate has been previously granted by the Commission, or (2) in which a notification center exempt from the requirements of Virginia Code § 56-265.16:1 is currently operating, if such application is supported by the operators of underground facilities responsible for more than half of the ticket volume applicable to Virginia of the existing notification center during the most recent twelve-month period preceding the filing of the application for which data is available. If the Commission determines that a certificate should be granted to the applicant hereunder, a certificate previously issued for the same geographic area shall terminate as of the effective date of the new certificate.

The concerns of WGL are worthy and will substantially be adopted.

To address the concerns of Potomac Edison, Shenandoah and the Service, Rule 2 is modified to read as follows:

> Notice of the application shall be given to governmental officials and to utility operators within the applicant's proposed area as required by the Commission in its initial order docketing the case for consideration.

Rule 5 is modified to read as follows:

> Each application shall demonstrate that the applicant fully qualifies as a notification center. A notification center is one that,
>
> (a) may be contacted by means of a toll-free telephone call from any point within the Commonwealth;
>
> (b) is open to participation by any operator of underground facilities within the service area sought as set out in § 56-265.15 of the Code of Virginia;
>
> (c) is capable of making the filings required by § 56-265.16:1(C) of the Code of Virginia;
>
> (d) is capable of providing emergency service 365 days a year, 24 hours per day and capable of providing regular service Monday through Friday 7:00 a.m. through 5:00 p.m., excluding designated holidays;
>
> (e) shall maintain such telecommunications equipment necessary to insure a minimum level of response acceptable to the participating operators and to users of the service;
>
> (f) has the capability to transmit, within one hour of receipt, notices of proposed excavation to member operators by teletype, telecopy, personal computer, or telephone;
>
> (g) is capable of maintaining equipment adequate to voice record all incoming calls and retain such records for a minimum of six years and is capable of recording all transmissions of

proposed excavations to member operators and retaining those records for a minimum of six years;

(h) shall maintain an adequate level of liability insurance coverage;

(i) shall maintain detailed maps depicting areas with underground utility facilities and shall be able to pass on to operators the specific site address of a proposed excavation using street addresses where those exist or, where addresses do not exist, the distance and direction to the nearest intersection of named or numbered public roads; and

(j) shall notify those calling about proposed excavations of the time frame within which an operator must respond and mark its facilities.

Rule 6 is modified to read as follows:

Except as provided in Rule 8, only one notification center will be granted a certificate for a given geographic area.

Rule 7 is modified to read as follows:

No certificated notification center shall abandon or discontinue service to the public or any part thereof except with the approval of the Commission and upon such terms and conditions as prescribed. The relationships between centers and operators of underground facilities are governed by their own agreements and not by this Rule or by the Commission.

Rule 8 is substantially the one proposed by WGL and reads as follows:

An application for a certificate may be submitted for any geographic area (1) for which a certificate has been previously granted by the Commission, or (2) in which a notification center exempt from the requirements of Virginia Code § 56-265.16:1 is currently operating, if such application is supported by the operators of the underground facilities responsible for more than half of the ticket volume applicable to Virginia of the existing notification center during the most recent 12-month period preceding the filing of the application for which data is available. If the Commission determines that a certificate should be granted to the applicant hereunder, the certificate previously issued for the same geographic area shall terminate as of the effective date of the new certificate.

Original Rules 8 and 9 shall be renumbered as Rules 9 and 10, respectively.

With these modifications, the Commission finds the rules to be reasonable and in the public interest. Accordingly,

IT IS THEREFORE ORDERED:

(1) That the Rules Governing Certification of Notification Centers attached hereto as Appendix A are hereby adopted and are effective as of the date of this Order; and

(2) That there being nothing further to come before the Commission, this case is dismissed from the docket and the record developed herein shall be placed in the file for ended causes.

CASE NO. PUE900034
NOVEMBER 28, 1990

APPLICATION OF
COMMONWEALTH GAS SERVICES, INC.

For a general increase in natural gas rates

FINAL ORDER

On April 30, 1990, Commonwealth Gas Services, Inc. ("the Company" or "Services") filed an application for a general increase in rates for natural gas service with the State Corporation Commission ("Commission"). As part of its application, the Company requested that it be permitted to revise its tariffs to produce an increase in its additional gross annual revenues of $12,641,944, an increase of 8.9% over the adjusted annualized revenues produced by Services' rates during the test period, i.e., the twelve months ending December 31, 1989. The Company also proposed to establish a new, unified gas tariff to be effective throughout its service area to replace the three sets of tariffs now in effect in the Company's service territory. Services' service territory includes the former service areas of Columbia Gas of Virginia, Inc. ("CVA") and Lynchburg Gas Company ("Lynchburg").

In its application, the Company stated that it intended to maintain a separate base rate for residential customers presently receiving service under the Company's Lynchburg tariffs. It proposed to maintain separate rate sheets for the former service areas of Services, Lynchburg and CVA in order to separately track purchased gas adjustment and rate refunds as well as the actual cost adjustments applicable to these formerly separate service areas. In addition, the Company proposed a number of revisions to its miscellaneous charges and terms and conditions of service.

On May 23, 1990, the Commission entered its Preliminary Order in this matter. That Order docketed the captioned proceeding and suspended Services' proposed tariff revisions for a period of one hundred and fifty days from the date the Company's application was filed with the Commission to and through September 27, 1990.

On June 13, 1990, the Commission entered its Order for Notice and Hearing. This Order appointed a hearing examiner and established a procedural schedule for the Company, Protestants, public witnesses and the Staff.

In accordance with the terms of the June 13 Order, the following parties filed notices of protest: The Board of Supervisors of Fairfax County ("Fairfax County"); Kawneer Company, Inc. ("Kawneer"); Virginia Electric and Power Company ("Virginia Power"); Transco Power Company; Transco Energy Marketing Company ("TEMCO"); Allied-Signal, Inc., Chemstone Corporation, Griffin Pipe Products Company, Hoeschst-Celanese Corporation, ICI Americas, Inc., Owens-Brockway Glass Container, Inc., Reynolds Metals Company, Virginia Fibre Corporation and Westvaco Corporation (hereafter collectively referred to as "the Industrial Customers"); and the Office of the Attorney General, Division of Consumer Counsel ("Consumer Counsel"). Transco Power Company and TEMCO subsequently withdrew as Protestants from the proceeding.

On July 12, 1990, the Industrial Customers, by counsel, filed a motion requesting an extension of the procedural schedule established by the June 13 order. Counsel for the Industrial Customers further represented that the Office of the Attorney General supported its Motion, and that the Company and the Commission's Staff did not oppose an extension of time.

In his July 23, 1990 Ruling, the Hearing Examiner granted the Industrial Customers' motion for extension of the procedural schedule. The Examiner retained the September 18, 1990 hearing date for the purpose of receiving testimony from public witnesses. In addition, among other things, he directed that the hearing be continued to November 6, 1990, for the purpose of receiving evidence relevant to Services' application.

On September 27, 1990, the Company, by counsel, gave notice of its intent to place its revised tariffs in effect on October 1, 1990, subject to refund. Services noted that it had excluded from its notice its proposed purchased gas adjustment provision ("PGA"), which it proposed to go into effect on December 1, 1990, in a Request for Deferral and Waiver of its PGA, filed with the Commission on September 26, 1990. Services included an executed bond for the Commission's consideration and approval.

By a ruling entered on September 27, 1990, the Hearing Examiner granted Services' request to defer placing the PGA portion of its proposed gas tariff into effect until December 1, 1990, and directed that Services' existing three separate PGAs remain in effect through November 30, 1990; that the Company comply with the timetable of events specified in the request; that the portion of the currently effective PGAs for the former service areas of Commonwealth Gas Services and Lynchburg requiring that the actual cost adjustment ("ACA") for these companies be calculated as of December 31, 1990 be waived, and that Services calculate and apply separate ACAs for 1990 and for the interim period September 1 - November 30, 1990, and calculate and apply the unified ACA for 1991, all as set forth in the Company's request.

On September 28, 1990, the Hearing Examiner accepted Services' proposed bond for filing and directed that the bond be filed in the Clerk's Office of the Commission. In addition, the Hearing Examiner specified that Services keep accurate accounts in detail of all amounts received under the increased rates which become effective after expiration of the suspension period. He directed that any refund made by the Company bear interest and specified the interest rate applicable to such refund. Further, the Examiner directed that interest be compounded quarterly and that Services bear all costs of refunds, if any were required.

On September 18, 1990, the matter came for hearing before Russell W. Cunningham, Senior Hearing Examiner. At that time, the Examiner called for public witnesses. None appeared. The Examiner continued the matter to November 6, 1990.

On November 6, 1990, the Examiner reconvened the proceeding. At the November 6 hearing, one public witness appeared. This public witness complained that Services had inspected and turned down contract plumbing and electrical work he had performed for various customers. The Examiner invited this witness to meet with Staff and Company to explore a resolution to his complaint. The witness agreed to participate with Staff and Company in seeking an informal resolution for his complaint.

During the proceeding, the parties and Staff offered a Stipulation for consideration by the Hearing Examiner and the Commission. Pursuant to the terms of the Stipulation and with the concurrence of the Hearing Examiner, all prefiled direct testimony and revised exhibits of the participants, as well as the rebuttal testimony of the Company, were received into the record without cross-examination. At the conclusion of statements by counsel and after identification of the prefiled testimony for the record, the Examiner closed the evidentiary portion of the record and issued his ruling from the bench. In his ruling, the Examiner found the terms of the Stipulation document just and reasonable and recommended that the Stipulation be accepted by the Commission.

Counsel for the Company, Kawneer, Fairfax County, the Industrial Customers, the Division of Consumer Counsel, and Virginia Power filed letters stating that they did not intend to file exceptions to the Hearing Examiner's November 6 Report issued from the bench.

NOW THE COMMISSION upon consideration of the record herein, the Examiner's Report and the applicable statutes, is of the opinion and finds that the findings and recommendations of the November 6 Hearing Examiner's Report are just and reasonable and supported by the record. Accordingly, we will accept the Stipulation offered by the parties and Staff and incorporate it as part of this Final Order by physical attachment hereto as Attachment A.

Specifically, we find as follows:

(1) That the use of the twelve months ended December 31, 1989, as adjusted, is just and reasonable;

(2) That the record supports adoption of a revenue deficiency of $7,446,326, calculated according to Staff's Statement II with adjustments, including adjustments to allow, for ratemaking purposes, total advertising expenses of $169,034 and operating and maintenance expense of $123,947 associated with the purchase of an undivided interest in capacity from Commonwealth Gas Pipeline Corporation (which $123,947 of operating and maintenance expense for the purposes of this case should not be recovered through Services' purchased gas adjustment clause);

(3) That Services' operating revenue, after all adjustments for the test period, was $129,775,113;

(4) That Services' total operating revenue deductions, after all adjustments, were $121,980,005;

(5) That Services' net operating income, after all adjustments for the test period, was $7,795,108 and its adjusted operating income, after all adjustments, was $7,258,300;

(6) That Services' rate base, after all adjustments for the test period, was $111,802,097;

(7) That, based on the test period results, after all adjustments, Services earned a rate of return on rate base of 6.49%, and a return on common equity of 3.09%;

(8) That use of the consolidated capital structure of the Columbia Gas System, Inc. as of June 30, 1990, as shown in Staff witness Martin's testimony, identified as Exhibit RWM-14, is reasonable;

(9) That the Company's original application for $12,641,944 in additional gross annual revenues is unjust and unreasonable and should be denied;

(10) That, consistent with Staff witness Maddox's testimony, the Company's required return on equity is within the range of 12.25 - 13.25%;

(11) That a reasonable rate of return on equity for the establishment of rates in this proceeding is 12.75%;

(12) That, based on the consolidated capital structure of the Columbia Gas System, Inc., as of June 30, 1990, as shown in Staff Exhibit RWM-14, with the cost rates shown therein, Services' overall cost of capital is within the range of 10.537 to 10.986%, and that for the purpose of establishing rates, the midpoint of the range, 10.762%, should be used;

(13) That the Company requires $7,446,329 in additional gross annual revenues in order to have an opportunity to earn a 10.762% rate of return on rate base;

(14) That the $7,446,329 should be apportioned among Services' customer classes as follows:

Residential	$3,726,204
Commercial (SGS)	2,470,376
Industrial Sales	947,831
Transportation	211,925
LVTS/LVEDTS	89,993

(15) That the permanent rates set out in Attachment A hereto are just and reasonable and are hereby adopted;

(16) That Services should file the following reports with the Division of Energy Regulation:

A. A monthly meter reading report showing the number of estimated bills for the month, and the number of consecutively estimated bills for 3, 4, 5 and over 6 months; and

B. A yearly volume imbalance impact report showing volume imbalance information by customer and by month, in addition to estimates of the impact that changes in banked volumes have had on the Company's overall gas costs;

(17) That Services should, in the implementation of its line extension policy, calculate its investment cost factor and use the total operating and maintenance expenses, less gas costs and administrative and general expenses, per customer, in the calculation of the maximum allowable investment, as recommended in the prefiled testimony of Staff witness Frassetta, identified for the record as Exhibit GGF-18; and

(18) That Services should file a cost of service study as part of its next general rate application.

Accordingly, IT IS ORDERED:

(1) That the findings and recommendations of the November 6, 1990 Hearing Examiner's Report are hereby adopted;

(2) That the Stipulation document identified herein as Attachment A is adopted and incorporated herein by physical attachment;

(3) That, consistent with our findings herein and Attachment A hereto, Services shall forthwith file revised tariffs designed to produce $7,446,329 in additional gross annual revenues, said tariffs to be effective for service rendered on and after December 1, 1990;

(4) That on or before March 29, 1991, Services shall complete its refund, with interest as directed below, of all revenues collected from the application of its proposed rates which became effective for service beginning October 1, 1990, to the extent that such revenues exceeded, on an annual basis, the revenues which would have been collected by application, in lieu thereof, of the permanent rates to be filed in compliance with this Order;

(5) That the interest upon the refund ordered above shall be computed from the date payment of each monthly bill during the period which the Company's proposed tariffs were in effect was due until the date refunds are made, at an average prime rate for each calender quarter. The applicable average prime rate for each calender quarter shall be the arithmetic mean, to the nearest one hundredth of one percent of the prime

rate values published in the Federal Reserve Bulletin, or in the Federal Reserve's "Selected Interest Rates" (Statistical Release G.13), for the three months of the preceding calender 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. Refunds to former customers shall be made by a check to the last known address of such customers when the refund amount owed is $1.00 or more. Services may retain refunds owed to former customers when such refund amount is less than $1; however, Services shall prepare and maintain a list detailing each of the former accounts for which refunds are less than $1, and in the event such former customers contact Services and request refunds, such refunds shall be made promptly;

(8) That on or before April 30, 1991, Services shall file with the Commission's Staff a document showing that all refunds have been lawfully made pursuant to this Order and itemizing the costs of the refund. Such itemization of such costs shall include, inter alia, computer costs and the man-hours, associated salaries, and costs for verifying and correcting the refund methodology and for developing the computer programs;

(9) That Services shall bear all costs of such refunding;

(10) That Services shall file a cost of service study as part of its next general rate application;

(11) That Services shall forthwith file the following reports with the Division of Energy Regulation:

A. A monthly meter reading report showing the number of actual meter readings, the number of estimated bills for the month, and the number of consecutively estimated bills for 3, 4, 5 and over 6 months; and

B. A yearly volume imbalance impact report showing volume imbalance information by customer and by month, in addition to estimates of the impact that changes in banked volumes have had on the Company's overall gas costs;

(12) That Services shall, in the implementation of its line extension policy, calculate its investment cost factor and use the total operating and maintenance expenses, less gas costs and administrative and general expenses per customer, in the calculation of the maximum allowable investment, as recommended by Staff witness Frassetta; and

(13) That there being nothing further to be done herein, the same is hereby dismissed from the Commission's docket of active cases.

NOTE: Copies of Attachment A and the Staff Exhibits referred to herein are on file and may be examined at the State Corporation Commission, Document Control Center, Floor B-1, Jefferson Building, Bank and Governor Streets, Richmond, Virginia.

CASE NO. PUE900034
DECEMBER 19, 1990

APPLICATION OF
COMMONWEALTH GAS SERVICES, INC.

For a general increase in natural gas rates

ORDER GRANTING REQUEST TO AMEND FINAL ORDER

On November 29, 1990, the State Corporation Commission ("Commission") entered a Final Order, which among other things, adopted a Stipulation identified and incorporated into that Final Order as Attachment A thereto. Attachment A contained Commonwealth Gas Services, Inc.'s ("Services" or "Company's") stipulated base rates, tariff provisions and terms and conditions of service.

On December 18, 1990, Services, by counsel, requested that we amend our November 29 Final Order to correct certain technical changes it had identified on original tariff sheet Nos. 153 and 350 through 411 of the Second Revised Volume No. 1. Examples of these corrections include a change to Section 15.5, "Deficiencies in Deliveries to Company"(2), to add a reference to the interruptible option of rate schedule GSS and to amend original sheet No. 403, § 17.5(a)(i) to refer to 17.2(a) instead of 17.2(b) as is now shown in Attachment A.

NOW, THE COMMISSION, upon consideration of Services' request, is of the opinion and finds that the corrections and revisions set out in Services' December 18, 1990 request and the attached filings should be accepted and Attachment A to our November 29, 1990 Final Order should be amended to reflect these technical corrections.

Accordingly,

IT IS ORDERED:

(1) That Services' request to amend the November 29, 1990 Final Order is hereby granted;

(2) That the revisions related to original sheet Nos. 153 and original sheets 350 through 411, appended to Services' December 18, 1990 request for amendment, shall be accepted in lieu of those found in Attachment A to the November 29, 1990 Final Order; and

(3) There being nothing further to be done herein, the same is hereby dismissed.

CASE NO. PUE900037
JUNE 26, 1990

APPLICATION OF
DELMARVA POWER & LIGHT COMPANY

To revise its fuel factor and cogeneration tariff pursuant to code section 56-249.6 and PURPA Section 210

ORDER ESTABLISHING 1990/1991 FUEL FACTOR

On May 17, 1990, Delmarva Power & Light Company ("Delmarva" or "the Company") filed with the Commission an application, exhibits and proposed tariffs intended to increase its zero-based fuel factor from 1.947¢ per kilowatt hour ("kWh") to 2.242¢ per kWh, effective for services rendered on and after July 1, 1990. The proposed fuel factor was based on a current period fuel factor of 2.050¢ per kWh for the twelve months ending June 30, 1990, and a correction factor of 0.133¢ per kWh. Application of a gross receipts tax factor yields the total fuel factor of 2.242¢ per kWh.

Simultaneous with its fuel factor filing, Delmarva also filed an application to revise its Service Classification "X" for cogeneration and small power production. Therein the Company proposed to increase the monthly customer charge and meter charges to reflect the increased costs of interconnection. It also proposed to increase the energy purchase rates to reflect higher avoided costs.

By order dated May 25, 1990, the Commission consolidated both applications, established a procedural schedule and set a hearing date. In that regard, the Commission directed Delmarva to publish notice and directed the Staff to file testimony. No protests were filed, although a letter was received by the Commission in opposition to the proposed fuel factor increase from the Town of Chincoteague.

On June 18, 1990, the Commission Staff filed a Report in which it found that the level of fuel expenses as projected by Delmarva for the twelve months ending June 30, 1991, was reasonable. Staff supported the proposed fuel factor increase, although it did not recommend approval of a specific gas pricing methodology at this time. Staff also supported the proposed changes to the Company's Service Classification "X" for cogeneration and small power production. The Company took no exception to Staff's Report.

The hearing in this case was held on June 26, 1990. At the hearing the Company tendered its proof of notice, and the Company's application and exhibits and Staff Report were admitted into the record without the need for cross-examination.

Upon consideration of the record in this case, the Commission is of the opinion and finds that a zero-based fuel factor of 2.242¢ per kWh is just and reasonable and should be approved. The Company's proposed methodology of specific gas pricing will not be approved by the Commission at this time, however, the projected gas prices for the twelve-month period beginning July 1, 1990, appear reasonable. The Commission further finds that the Company's proposed changes to its Service Classification "X," Cogeneration and Small Power Production are reasonable and should be approved. Accordingly,

IT IS THEREFORE ORDERED:

(1) That a zero-based fuel factor of 2.242¢ per kWh be, and the same hereby is, approved effective for services rendered on and after July 1, 1990;

(2) That the proposed changes to Service Classification "X" Cogeneration and Small Power Production are hereby approved for services rendered on and after July 1, 1990; and

(3) That this case is continued generally.

CASE NO. PUE900037
JUNE 27, 1990

APPLICATION OF
DELMARVA POWER & LIGHT COMPANY

To revise its fuel factor and cogeneration tariff pursuant to Code § 56-249.6 and PURPA § 210

MODIFYING ORDER

On June 26, 1990, the Commission issued its Order Establishing 1990/1991 Fuel Factor for Delmarva Power & Light Company ("Delmarva") thereby authorizing Delmarva to increase its zero based fuel factor from 1.947¢ per kilowatt hour ("kWh") to 2.242¢ per kWh effective for services rendered on and after July 1, 1990. To avoid the need to prorate bills, Delmarva has requested that the fuel factor increase be effective for bills rendered beginning with Billing Cycle 01 of the July, 1990 billing month, without proration, rather than for services rendered on and after July 1, 1990.

The Commission is of the opinion and finds that it is reasonable to allow the increase to take effect for the billing month of July, 1990 rather than for services rendered on and after July 1, 1990. Accordingly,

IT IS ORDERED:

(1) That a zero based fuel factor of 2.242¢ per kWh be, and the same is hereby, approved effective for the billing month of July, 1990; and

(2) That this case is continued generally.

CASE NO. PUE900038
(Formerly Case No. PUE860065)
DECEMBER 5, 1990

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For a certificate of public convenience and necessity to build a pipeline

ORDER ISSUING CERTIFICATES

On June 1, 1990, the State Corporation Commission ("Commission") entered an order which, among other things, directed that, upon execution of the appropriate maps, certificates of public convenience and necessity be issued to Virginia Natural Gas, Inc. ("VNG" or "the Company").

On July 18, 1990, VNG, by counsel, filed an application seeking approval of three modifications to the intrastate natural gas pipeline which the Commission authorized VNG to construct in the September 9, 1988 Final Order entered in Case No. PUE860065, 1988 S.C.C. Ann. Rept. 257. The first modification proposed by VNG related to the east-west segment of the route of its intrastate pipeline to be constructed near the Spotsylvania County-Caroline County boundary. VNG proposed to relocate the east-west segment approximately 2.3 miles to the south parallel to, and overlapping partially, an existing Rappahannock Electric Cooperative electric transmission line corridor approximately 100 feet wide that connected two Virginia Power transmission line corridors.

VNG also proposed a revision in the route of the pipeline near the Hanover County-Henrico County boundary. VNG proposed to modify this route beginning approximately two miles northwest of the Mechanicsville end of the joint-use segment of the pipeline, thus locating 5,800 feet of the pipeline in Henrico County. VNG stated in its application that it was not authorized to provide service in Henrico County and did not propose to provide any distribution service in Henrico County from the segment of the pipeline it proposed to locate there.

The third modification VNG proposed in its application was to increase the diameter of the portion of the pipeline known as the "VNG lateral" from 10 inches to 16 inches. The portion of the pipeline VNG proposes to increase would extend from the end of the joint-use segment of the pipeline near Mechanicsville southeastward approximately 37 miles through Hanover, New Kent, Charles City, and James City Counties to a point near Toano, Virginia, where the lateral would connect to VNG's natural gas distribution system.

On August 21, 1990, we issued our Order for Notice and Inviting Comments in this proceeding. In this Order, we directed VNG to prefile the testimony and exhibits it intended to offer in support of its application, ordered the Company to give the public affected by these modifications notice of the Company's application, directed VNG to make its application available for public review, and invited interested persons to comment upon or request a hearing on VNG's application. In addition, we invited our Staff to comment upon the Company's application.

On August 31, 1990, VNG filed the testimony of Jerry L. Causey, Vice President of Operations, in support of its application. Company witness Causey maintained that the route modification in Spotsylvania and Caroline Counties were necessary to reduce environmental impacts associated with the pipeline, would shorten the pipeline by 6,300 feet, and would reduce the pipeline's cost by $600,000. Mr. Causey noted that the proposed modification would locate the pipeline further from residences and other structures.

With respect to the proposed modification to locate the pipeline route in Henrico County, Mr. Causey noted that this modification would reduce the pipeline's length by approximately 1,200 feet, enable the pipeline to use approximately 2,700 more feet of an existing electric transmission line corridor, would avoid 4,680 feet of construction in swamp areas adjoining the Chickahominy River, and would reduce the cost of the pipeline by $288,000.

Mr. Causey supported the increase in the diameter of the VNG lateral by growth he expected to occur on the VNG system. He maintained that the 16-inch diameter VNG lateral would represent an installed cost of $167 per Dth of daily capacity while a 10-inch diameter pipeline would represent an installed cost of $377 per Dth of daily capacity. He noted that by increasing the size of the lateral there were benefits associated with long-term development of gas service to recently certificated counties, reduced environmental impact of construction, and increased availability of natural gas for electric power generation.

By Order dated September 26, 1990 issued in response to a motion by VNG, we extended the time in which the Company could serve a copy of our August 21 Order for Notice and Inviting Comment on local officials and the time in which local officials could file comments or requests for hearing with the Commission. In addition, we extended the time in which our Staff could prepare and file its analysis of the application.

On September 28, 1990, the City of Richmond, ("the City") filed comments supporting the two route modifications proposed by VNG. The City noted that VNG's construction of a portion of the joint-use segment of its pipeline in Henrico County would not adversely affect the City's ability to properly provide distribution service in Henrico County, would not result in wasteful duplication of utility facilities or retail distribution

service in Henrico County, and would not "run afoul otherwise of the principles enunciated by the Commission in its Final Order of July 14, 1987, issued in Case No. PUE860063." City's comments at 3. The City did not request a hearing, but instead reserved its rights to participate fully in this proceeding in the event we convened one. No other person filed comments or requested a hearing on VNG's application.

On October 18, 1990, the Staff filed its analysis addressing VNG's application to modify its pipeline. Staff indicated that it did not object to the Company's proposed route modifications since they were expected to enhance construction and lower the cost of the proposed pipeline by approximately $888,000. Staff supported VNG's proposal to increase the diameter of the VNG lateral from 10 to 16 inches. Staff noted that it supported this proposal because it appeared to permit VNG to take advantage of "economies of scale" and, over the long term, appeared to be the Company's least cost alternative.

NOW THE COMMISSION, having considered the application, the testimony, comments and other documents filed in this matter, is of the opinion and finds that since no request for hearing was received, that this matter should be determined on the documents filed in this case, that the application, testimony of the Company and the Staff as well as the comments of the City, demonstrate that the proposed modifications to the pipeline facility approved in Case No. PUE860065, 1988 S.C.C. Ann. Rept. 257, are in the public interest, and that appropriate certificates of public convenience and necessity to construct and operate the pipeline facility, as modified herein, should be issued. In authorizing the issuance of these certificates, we note that we are not granting authority to VNG to provide natural gas distribution service through its pipeline facility in those areas for which it does not already have authority to provide gas distribution service, i.e., Henrico County and Caroline County. In counties such as Henrico County where the Company is not now authorized to provide distribution service, the certificates granted herein only authorize VNG to locate its facility and operate it as a pipeline. It does not authorize the Company to provide natural gas distribution service in that county or others so similarly situated.

Accordingly, IT IS ORDERED:

(1) That certificates of public convenience and necessity be issued to VNG as follows:

Certificate No. GT-59, authorizing Virginia Natural Gas, Inc., to construct and operate gas transmission lines in Caroline County;

Certificate No. GT-60, authorizing Virginia Natural Gas, Inc. to construct and operate gas transmission lines in Hanover County;

Certificate No. GT-61, authorizing Virginia Natural Gas, Inc. to construct and operate gas transmission lines in Henrico County; and

Certificate No. GT-62, authorizing Virginia Natural Gas, Inc. to construct and operate gas transmission lines in Spotsylvania County;

(2) That copies of this order shall be placed in Certificate File No. 10316, which is lodged in the Commission's Division of Energy Regulation; and

(3) That there being nothing further to be done herein, the same is hereby dismissed.

CASE NO. PUE900038
(Formerly Case No. PUE860065)
DECEMBER 20, 1990

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For a certificate of public convenience and necessity to build a pipeline

AMENDING ORDER

On December 5, 1990, the State Corporation Commission ("Commission") entered an order which, among other things, authorized the issuance of appropriate certificates of public convenience and necessity. That order directed the issuance of certificates for Caroline County, Hanover County, Henrico County and Spotsylvania County to Virginia Natural Gas, Inc. ("VNG").

On December 18, 1990, VNG, by counsel, filed a motion for modification of the December 5, 1990 Order for the purpose of receiving maps and issuing certificates of public convenience and necessity for the previously approved VNG gas pipeline for the entire route of the pipeline which would also transverse the Counties of Fauquier, Stafford, Charles City, New Kent, and James City. It appears that the December 5 Order inadvertently did not issue certificates of public convenience and necessity for these counties through which the pipeline will be constructed.

NOW, UPON CONSIDERATION of VNG's motion, the Commission is of the opinion and finds that modification of its December 5, 1990 Order Issuing Certificates is appropriate, that the December 5, 1990 order should be amended to authorize the issuance of the certificates of public convenience and necessity described below to VNG, and that in all other respects, the findings and directives found in the December 5, 1990 Order should remain in effect.

Accordingly,

IT IS ORDERED:

(1) That Ordering Paragraph (1) of the December 5, 1990 Order Issuing Certificates shall be amended to include the additional certificates of public convenience and necessity described as follows below:

Certificate No. GT-63, authorizing Virginia Natural Gas, Inc. to construct and operate gas transmission lines in Fauquier County;

Certificate No. GT-64, authorizing Virginia Natural Gas, Inc. to construct and operate gas transmission lines in Charles City and New Kent Counties;

Certificate No. GT-65, authorizing Virginia Natural Gas, Inc. to construct and operate gas transmission lines in James City County; and

Certificate No. GT-66, authorizing Virginia Natural Gas, Inc. to construct and operate gas transmission lines in Stafford County.

(2) That all of the other findings and directives found in the December 5, 1990 Order Issuing Certificates shall remain in effect;

(3) That a copy of this Order, as well as a copy of the December 5, 1990 Order Issuing Certificates shall be placed in Certificate File No. 10316, which is lodged in the Commission's Division of Energy Regulation; and

(4) That there being nothing further to be done herein, this matter is hereby dismissed.

CASE NO. PUE900039
JULY 3, 1990

APPLICATION OF
VIRGINIA ELECTRIC & POWER COMPANY

To amend certificates of public convenience and necessity authorizing operation of transmission lines and facilities in Campbell County, Certificate No. ET-69d, and Pittsylvania County, Certificate No. ET-101d: Altavista-Hurt 115 kV Transmission Line and Altavista-Wayside 138 kV Transmission Line

ORDER GRANTING AMENDED CERTIFICATES

Before the Commission is Virginia Electric & Power Company's ("Virginia Power" or "Company") application to amend its certificates of public convenience and necessity for Campbell County, Certificate No. ET-69d, and Pittsylvania County, Certificate No. ET-101d, to authorize the construction and operation of transmission lines outside its service territory. Virginia Power proposes to construct new facilities, to re-energize existing facilities at a higher voltage, and to operate a 115 kV transmission line from its existing Altavista Substation in the Town of Altavista, Campbell County, to its proposed Hurt Substation, Pittsylvania County, a distance of approximately 3.4 miles. Company also proposes to construct new facilities, to re-energize existing facilities at a higher voltage, and to operate a 138 kV transmission line from Altavista to Wayside where it will connect the Virginia Power system with a nonutility generator. The Altavista-Wayside transmission line will be approximately 6.2 miles in length.

From Altavista to Hurt, the two lines will be constructed as a double circuit along an existing corridor now occupied by a 69 kV line. According to Virginia Power, the 69 kV line will be replaced by the double circuit, and existing structures and conductors will be used for portions of the lines. Thirty feet of additional right-of-way will be required for approximately 2.0 miles of the line between Altavista and Hurt. From Hurt to Wayside, the 138 kV transmission line will be constructed along an existing right-of-way occupied by a 69 kV line. Portions of the existing line will be re-energized to operate at 138 kV, and new structures and conductors will be constructed along the balance of the line. Approximately 0.2 mile of new right-of-way with a width of 80 feet will be required for the Hurt-Wayside portion of the 138 kV transmission line.

In Pittsylvania County, approximately 1.3 miles of the proposed facilities will be located in Mecklenburg Electric Cooperative's service territory, and approximately 0.8 mile of the facilities will be located in Southside Electric Cooperative's service territory. According to Virginia Power's application, the cooperatives approve of Virginia Power's construction of transmission lines through their service territories. Approval is indicated by endorsement of maps attached to and made part of the application. In addition, Virginia Power states in the application that Campbell County, Pittsylvania County, and the Town of Altavista have advised that the proposed transmission lines are in compliance with their respective comprehensive plans.

Virginia Power has applied for authorization to construct and operate these facilities so that it might connect two proposed generation projects in northern Pittsylvania County to its system. These projects are Commonwealth Cogeneration Partners, L.P., certificated by the Federal Energy Regulatory Commission as a qualifying cogeneration facility in Docket No. QF90-10-000, and Multitrade Limited Partnership, recertificated as a qualifying small power producing facility in Docket No. QF88-165-001. The Commonwealth cogeneration facility will be connected at Wayside, and the Multitrade facility will be connected adjacent to the proposed Hurt Substation.

The Commission finds that, pursuant to § 56-265.2 of the Code of Virginia, it has jurisdiction over Virginia Power's application to construct and to operate transmission facilities outside its alloted service territory. We further find that this application should be docketed. Virginia Power's application establishes the need for these transmission lines to connect the qualifying facilities to the Company's system. The affected cooperatives do not oppose this construction in their service territories. Accordingly, the Commission finds that the public convenience and necessity require that Virginia Power be authorized to re-energize certain existing facilities and to construct new facilities and to operate proposed transmission lines outside of its service territory. We further find that appropriate amended certificates of public convenience and necessity should be issued.[1]

Accordingly,

IT IS ORDERED:

(1) That, pursuant to § 56-265.2 of the Code of Virginia, this application be docketed, be assigned Case No. PUE900039 and that all papers be filed therein;

(2) That, pursuant to § 56-265.2 of the Code of Virginia, this application be granted;

(3) That Virginia Power be authorized to re-energize certain facilities now operating at 69 kV for operation at 138 kV, as set out in its application; to construct additional facilities; to operate a 115 kV transmission line from the existing Altavista Substation to the proposed Hurt Substation; and to operate a 138 kV transmission line from the existing Altavista Substation to the Wayside inter-connection point;

(4) That Virginia Power be issued amended certificates of public convenience and necessity as follows:

a. Certificate No. ET-69e, for Campbell County, authorizing the Virginia Electric and Power Company to operate present transmission lines and facilities and to construct and operate the proposed transmission lines and facilities, all as shown on the map attached thereof; Certificate No. ET-69e supersedes Certificate No. ET-69d, issued on September 10, 1985; and

b. Certificate No. ET-101e, for Pittsylvania County authorizing the Virginia Electric and Power Company to operate present transmission lines and facilities and to construct and operate the proposed transmission lines and facilities, all as shown on the map attached thereto; Certificate No. ET-101e supersedes Certificate No. ET-101d, issued on September 10, 1985.

(5) That this case be dismissed from the docket of active proceedings and the papers herein be placed in the file for ended cases.

[1]Although the facilities outside the Company's service territory are located in Pittsylvania County, we will issue revised certificates for both Pittsylvania and Campbell Counties. Evaluation of the public convenience and necessity requires consideration of the entire project. Records of utility facilities used by the Commission and available for public inspection should reflect the entire route, both within and without Virginia Power's service territory.

CASE NO. PUE900040
JULY 19, 1990

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

To amend its certificate of public convenience and necessity No. ET-107h authorizing operation of transmission lines and facilities in Rockbridge County: Fairfield Substation 115kV Transmission Line

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 Rockbridge County, Certificate No. ET-107h, to authorize the construction and the operation of a transmission line outside its service territory. Virginia Power proposes to construct and to operate a single-circuit 115 kV transmission line from a point on its existing 115 kV transmission line serving the Bustleburg Delivery Point to its proposed Fairfield Substation. The proposed line of approximately 5.8 miles and the substation will be in Rockbridge County.

The existing 115 kV transmission line serving the Bustleburg Delivery Point shares a corridor with an exiting 500 kV transmission line. Virginia Power proposes to acquire property parallel to this existing corrdior and to construct new right-of-way with a width of 85 feet for a distance of approximately .57 mile. The Company then proposes to acquire approximately 5.23 miles of new right-of-way cleared to a width of 100 feet for the remainder of the line terminating at the proposed Fairfield Substation. According to Virginia Power's Application, anticipated growth in the Fairfield area will exhaust existing capacity by the winter of 1992-93. These facilities will provide additional capacity for growth and assure reliable service.

As explained in Virginia Power's Application, approximately 5.4 miles of the total 5.8 miles of transmission line will be located in the service territory of BARC Electric Cooperative. The Cooperative approves Virginia Power's construction of transmission lines through its service territory as indicated by endorsement of Exhibit A, attached to and made part of the Application. The Company states in its Application that it has received a conditional use permit for the proposed transmission line and substation from the Board of Supervisors of Rockbridge County. The Rockbridge County Planning Commission has also determined that this project conforms with the County's comprehensive plan.

Upon consideration of the Application, the Commission finds that, pursuant to § 56-265.2 of the Code of Virginia, it has jurisdiction over Virginia Power's Application to construct and to operate transmission facilities outside its allotted service territory. Virginia Power's Application establishes the need for these transmission lines to assure adequate and reliable service to the Fairfield community. The affected electric cooperative does not oppose this construction in its service territory. Accordingly, the Commission finds that the public convenience and necessity require that Virginia Power be authorized to construct and to operate the proposed transmission line outside of its service territory and that the appropriate certificate should be issued.

According to the Application, the Fairfield Substation is proposed for 115-23 kV operation, and it will lie within Virginia Power's service territory, as will approximately .4 mile of the transmission line. We find that these facilities are ordinary extensions or improvements in the usual course of business. Since these facilities are within Virginia Power's territory, they do not require a certificate of convenience and necessity. In keeping with our policy of reflecting in Commission records all transmission lines and facilities covered by an application, the Fairfield Substation and the .4-mile portion of the transmission line will appear on the map attached to the certificate facilities within the Company's service territory.

As shown on the map attached to and made a part of the Application, the Commission has previously entered orders and issued certificates authorizing Virginia Power to operate jointly with Allegheny Generating Company certain facilities in Rockbridge County. Although this Application involves none of these joint facilities, a copy of the appropriate amended certificate of public convenience and necessity will be provided to Allegheny Generating Company. Accordingly,

IT IS ORDERED:

(1) That, pursuant to § 56-265.2 of the Code of Virginia, this Application be docketed, be assigned Case No. PUE900040, 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 Virginia Power be authorized to construct and to operate a single-circuit 115kV transmission line from the existing 115 kV transmission line serving the Bustleburg Delivery Point to the proposed Fairfield Substation;

(4) That Virginia Power and Allegheny Generating Company be issued an amended certificate of public convenience and necessity as follows:

> Certificate No. ET-107i for Rockbridge County, authorizing Allegheny Generating Company and Virginia Electric and Power Company to operate a previously certificated jointly owned transmission line and authorizing Virginia Electric and Power Company to operate previously certificated transmission lines and facilities and to construct and operate the 115 KV Transmission Line and facilities, all as shown on map attached thereto; and Certificate No. ET- 107i will supersede Certificate No. ET-107h, issued February 21, 1990.

(5) That this case be dismissed from the docket of active proceedings and the papers herein be placed in the files for ended cases.

CASE NO. PUE900041
AUGUST 3, 1990

APPLICATION OF
APPALACHIAN POWER COMPANY

To revise its fuel factor and cogeneration tariff pursuant to Code § 56-249.6 and PURPA § 210

ORDER ESTABLISHING 1990/1991 FUEL FACTOR AND COGENERATION TARIFF

On June 18, 1990, Appalachian Power Company ("APCO" or "Company") filed with the Commission the Company's written testimony, exhibits and proposed tariffs intended to decrease its zero-based fuel factor from 1.589¢ per kWh to 1.543¢ per kWh, effective August 28, 1990. The proposed fuel factor is based on a current period fuel factor of 1.563¢ per kWh for twelve months beginning September 1, 1990, and a correction factor of negative .059¢ per kWh. Application of a gross receipts tax factor yields the total fuel factor of 1.543¢ per kWh.

In this proceeding, APCO also proposed revision of its schedule COGEN/SPP, applicable to cogeneration and small power production. Therein the Company requested an increase in its energy and capacity purchase rates. APCO also proposed to shorten the duration of its on-peak hours during weekdays.

By Order dated June 27, 1990, the Commission established a procedural schedule and set a hearing date for this matter. In that regard, the Commission directed its Staff to file testimony. One protest was filed by the Old Dominion Committee for Fair Utility Rates.

On July 16, 1990, the Commission Staff filed a Report in which it found that the level of fuel expenses as projected by APCO for the twelve months beginning September 1, 1990, was reasonable and, therefore, supported the proposed fuel factor decrease. Staff also supported the Company's proposed change in energy and capacity purchase rates applicable to cogeneration and small power production. With respect to APCO's proposed change in its on-peak hours, Staff noted that the same issue is pending in APCO's pending retail rate case (Case No. PUE900026) and suggested that the Company's on-peak hours remain unchanged for now. Staff further suggested that the Commission's final decision in the retail rate case relative to the duration of on-peak hours be incorporated in APCO's next cogeneration filing. The Company took no exception to Staff's Report.

The hearing in this case was held on July 23, 1990. At the hearing, the Company tendered its proof of notice, and the Company's exhibits and the Staff Report were admitted into the record without the need for cross-examination.

Upon consideration of the record in this case, the Commission is of the opinion and finds that a zero-based fuel factor of 1.543¢ per kWh and APCO's proposed cogeneration rates are just and reasonable and should be approved. The Commission further finds that the Company's on-peak hours should remain unchanged and that the final decision in the retail rate case relative to the duration of on-peak hours should be incorporated in APCO's next cogeneration filing. Accordingly,

IT IS THEREFORE ORDERED:

(1) That a zero-based fuel factor of 1.543¢ per kWh be, and it hereby is, approved effective on August 28, 1990;

(2) That the proposed increase in cogeneration energy and capacity purchase rates be, and it hereby is, approved effective on August 28, 1990;

(3) That the duration of APCO's on-peak hours remain unchanged; and

(4) That this case is continued generally.

CASE NO. PUE900042
JULY 19, 1990

APPLICATION OF
SHENANDOAH GAS COMPANY

For an expedited increase in rates

PRELIMINARY ORDER

On June 22, 1990, Shenandoah Gas Company ("Shenandoah" or "the Company") filed an application, supporting testimony, and exhibits with the State Corporation Commission ("Commission") for an increase in its rates for natural gas. Shenandoah's proposed tariff revisions are designed to produce additional gross annual operating revenue of $818,302. The Company filed financial and operating data for the twelve months ended March 31, 1990, in support of its application. In its application, Shenandoah has requested that the schedules of rates and terms and conditions filed therein be permitted to become effective, subject to refund, for service rendered on and after July 22, 1990.

NOW HAVING CONSIDERED Shenandoah's application, and having been advised by Staff, the Commission finds that this matter should be docketed and that based on Shenandoah's application and its supporting testimony and exhibits, there is a reasonable probability that the requested increase will be justified upon full investigation and hearing. Shenandoah, therefore, should be allowed to implement its proposed rates on an interim basis, subject to refund with interest. A subsequent order prescribing notice, setting out a procedural schedule, and scheduling Shenandoah's application for public hearing shall be entered.

ACCORDINGLY, IT IS ORDERED that this matter is hereby docketed and assigned Case No. PUE900042, and that, pursuant to Va. Code § 56-240, an interim increase in rates designed to produce additional gross annual revenue of $818,302 shall be applied to service rendered on and after July 22, 1990. Said interim increase shall remain subject to refund with interest until such time as the Commission has made its final determination in this case.

CASE NO. PUE900044
DECEMBER 17, 1990

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte, In re: Investigation into the promulgation of filing requirements for independent power producers

FINAL ORDER

On July 25, 1990, the Virginia State Corporation Commission ("Commission") initiated an investigation into the promulgation of filing requirements for independent power producers. An independent power producer ("IPP") is subject to regulation as a public utility since it does not qualify for the exemptions currently available to cogeneration and small power production facilities pursuant to the Public Utility Regulatory Policies Act of 1978, 16 USC § 824a-3. An IPP's rates are currently subject to regulation by the Federal Energy Regulatory Commission ("FERC"), but certification of an IPP power plant is a matter of state regulation. In our order initiating this investigation, we noted that electric utilities in Virginia subject to our certificate jurisdiction must receive a certificate of public convenience and necessity authorizing construction of any facilities to be used in public utility service. The sole exception to that requirement is an ordinary extension made in the usual course of business within the territory in which a utility is lawfully authorized to operate. Virginia Code § 56-265.2. We also have required IPP developers to receive approval pursuant to Virginia Code § 56-234.3 if the proposed project is 100 megawatts or greater. Opinion and Final Order, Application of Doswell Limited Partnership for a certificate of public convenience and necessity and, if applicable for approval of expenditures for new generating facilities, Case No. PUE890068, February 13, 1990.

At our direction, Staff identified information necessary to support an IPP application for that required certification and approval of expenditures pursuant to Virginia Code § 56-234.3. Staff caused notice of the proposed filing requirements to be published in newspapers of general circulation throughout the Commonwealth. That publication was made by August 31, 1990 in most newspapers. The second publication in three weekly newspapers was completed by September 6, 1990. Accordingly, we find that Staff was in substantial compliance with the requirement in the initial order that notice be published on or before August 31, 1990 and further, that no one was prejudiced by the slight delay in the second publication in the three weekly papers.

Written comments on the proposed filing requirements were filed by seven parties by September 28, 1990. Those parties included Virginia Electric and Power Company, Appalachian Power Company, Potomac Edison Company, Virginia Turbo Power Systems - I, L.P. and Virginia Turbo Power Systems - II, L.P., The Virginia Department of Game and Inland Fisheries, George A. Beadles, Jr., Charles R. Foster and Victoria A. Lipnec. On October 23, 1990, comments were also filed by the Virginia Department of Air Pollution Control and the Virginia Department of Waste Management. On October 26, 1990, Staff filed comments suggesting several revisions to the proposed filing requirements to incorporate many of the suggestions offered by the commentors.

The proposed filing requirements as amended by Staff's October 26 report have two separate sections. The first section requires certain information from the IPP applicant. That information includes identification of the applicant and its organizational structure; information about the site of the proposed facility including location, status of site acquisition and a description of applicable local zoning or land use approvals needed; a description of the proposed project including relevant design features, estimated costs, schedule for engineering, construction, testing and commercialization and decommissioning plans; preliminary construction plans; fuel procurement strategy; expected financing; financial information about the applicant; and information related to other regulatory approvals.

The second section of the filing requirements requires additional information which would be provided primarily by the purchasing utility. That information would relate primarily to need; cost/benefit analyses of all supply and demand side alternatives; sensitivity and risk analyses for major assumptions on demand and supply side analyses; a demonstration that with the proposed generation facility, the utility's resource plans are reasonably calculated to promote the maximum effective conservation and use of energy and capital; and a description of all utility procedures which will be followed to assure the financial and technical viability of the proposed project.

NOW THE COMMISSION, having considered the comments and the Staff report is of the opinion and finds that the revised filing requirements proposed by Staff in its October 26, 1990 report should be adopted. Accordingly,

IT IS ORDERED:

(1) That the filing requirements set forth as Appendix A be and hereby are adopted; and

(2) That there being nothing further to come before the Commission in this proceeding, this case shall be removed from the docket and the papers placed in the file for ended causes.

A copy of Appendix A, "filing requirements" is on file and may be examined at the State Corporation Commission, Document Control Center, Floor B-1, Jefferson Building, Bank and Governor Streets, Richmond, Virginia.

CASE NO. PUE900046
SEPTEMBER 28, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: Confidential treatmentof Fuel Monitoring Report FM-12

FINAL ORDER

By letter dated June 28, 1990, Delmarva Power and Light Company ("Delmarva") requested that certain information which Delmarva provides in conjunction with the Commission's fuel monitoring system be kept confidential and not released to the general public. On July 18, 1990, Appalachian Power Company requested similar treatment. Information to support the preparation of "Fuel Monitoring Report 12 (FM12) - Coal and Oil Purchase Summary Report" and several other reports is filed monthly with the Commission's Division of Economics and Finance to monitor the fuel expenses incurred by electric utilities in the operation of generating facilities. The Commission initiated this proceeding when it became apparent that the fuel monitoring information of all electric utilities presented similar confidentiality issues.

Virginia Code § 56-249.3 requires certain electric utilities to file such information on fuel transactions and fuel purchases as the Commission deems necessary on a monthly basis. It is pursuant to this statute that utilities file the information to support the preparation of Report FM12 and several additional reports. Report FM12 contains a very specific breakdown of information related to the utilities' purchases of coal and oil.

Virginia Code § 56-249.3 provides that the information required from utilities may include the supplier of the fossil fuel; the cost in cents per MBTU, with a notation of whether the fuel was contracted for, purchased on the spot market, or purchased from an affiliate of the electric utility; total demurrage charges incurred at each generating plant; total cost of transportation incurred at each generating plant; and the average cost of the fossil fuel in cents per MBTU's consumed at each plant with and without handling charges. Virginia Code § 56-249.4 provides that any information filed in accordance with § 56-249.3 shall be open to the public. Although the Commission has wide discretion to determine the information to be filed under § 56-249.3, we have no discretion under § 56-249.4 to withhold some of the information from public disclosure.

Nevertheless, the Commission finds that the confidentiality concerns of the electric utilities are well-founded in one respect. Under § 56-249.3 we have heretofore required separate reporting of both the delivered price of fossil fuel and the cost of its transportation to various utility facilities. This level of detail is not necessary for the public reports prepared under § 56-249.3, in our view. In the future, for purposes of § 56-249.3, utilities may report total delivered fossil fuel prices without separate reporting of transportation costs. For regulatory monitoring purposes, the Staff may require the utilities to continue to provide detailed fossil fuel purchase information outside of the context of § 56-249.3 and under an appropriate agreement of confidentiality.

Our decision here should not be interpreted to permit utility companies to refuse disclosure to our Staff of any information which Staff deems necessary to accomplish its official duties. Nor should it be read as a defense to discovery by any party to a Commission proceeding, subject

to appropriate protective orders if necessary. Staff review and the scrutiny of other parties in fuel factor and other Commission proceedings should be sufficient to protect the public interest in reasonable utility fuel purchases. Accordingly,

IT IS ORDERED:

(1) That electric utility companies filing information under § 56-249.3 may report fuel purchase costs on the basis of total delivered prices;

(2) That all information reported by electric utility companies pursuant to § 56-249.3 shall continue to be made public by the Commission pursuant to § 56-249.4; and

(3) That, there being nothing further to come before the Commission in this proceeding, Case Number PUE900046 shall be closed and the papers therein placed in the Commission's files for ended causes.

CASE NO. PUE900054
OCTOBER 31, 1990

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

To revise its fuel factor pursuant to Va. Code § 56-249.6

ORDER ESTABLISHING 1990/1991 FUEL FACTOR

On September 7, 1990, Virginia Electric and Power Company ("Virginia Power" or "the Company") filed with the Commission an application, written testimony, exhibits and proposed tariffs intended to decrease its zero-based fuel factor from 1.728¢ per kWh to 1.656¢ per kWh. This revised fuel factor is calculated by adding the projected current period factor which is based on projected Virginia jurisdictional fuel expenses of $732,355,162 for the twelve month period from November 1, 1990 through October 31, 1991 to the correction factor which trues up the prior expenses. This sum is then adjusted for Gross Receipts Taxes. The Company projects an underrecovery of the prior period expenses of $21,914,420 as of October 31, 1990.

By order dated September 24, 1990, 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. Two protests were filed: one by the Virginia Committee for Fair Utility Rates and the other by Chesapeake Corporation, Stone Container Corporation and Westvaco Corporation ("Chesapeake, Stone and Westvaco"). Chesapeake, Stone and Westvaco also filed direct testimony recommending that the Commission allow the proposed fuel factor to be implemented as filed on an interim basis but reschedule a hearing on the fuel factor after the Commission's adoption of standards for evaluating fuel forecasts.

On October 15, 1990, the Commission Staff ("Staff") filed testimony including a report on its investigation of the 1988-89 outages of Surry Units One and Two. Staff found that the Company's projected fuel expenses for the twelve months beginning November 1, 1990 were reasonable for the purpose of establishing a revised fuel factor. Staff further found that the correction factor component of the proposed fuel factor should be adjusted to reflect a disallowance in the range of 0 to 13.7 million dollars to account for the replacement power costs which would have been saved had Virginia Power been better prepared for the 1988-89 outages of Surry Units One and Two. Staff's investigation revealed that the extended outage was primarily the result of plant vintage and higher Nuclear Regulatory Commission standards now applied to older plants. Staff, however, determined that the Company had failed to minimize the associated replacement power costs and that with perfect planning, the Company could have saved 13.7 million dollars on a Virginia jurisdictional basis in replacement power costs. On October 19, 1990, Virginia Power filed rebuttal testimony.

The hearing of this case was held on October 24, 1990. At the commencement of the hearing, Chesapeake, Stone and Westvaco, by counsel, moved that the Commission allow the proposed fuel factor to be implemented as filed on an interim basis but reschedule a hearing on the forecasts supporting the fuel factor after the Commission's adoption of standards for evaluating fuel forecasts. This motion was taken under advisement. The Company tendered its proof of service and the Company's application, testimony and exhibits, the testimony for protestant Chesapeake, Stone and Westvaco, and the Staff's testimony were admitted into the record. All witnesses were available for cross-examination.

Upon consideration of the record in this case, the Commission is of the opinion and finds that the motion of Chesapeake, Stone and Westvaco should be denied. Standards for fuel cost projections will be adopted; however, they will be applied prospectively. The Commission further finds that Virginia Power's projected fuel expenses for the twelve months beginning November 1, 1990 are reasonable for the purpose of establishing a revised fuel factor.

With respect to the Company's proposed correction factor component, the evidence established that perfect planning of the outages of Surry Units One and Two would have saved Virginia Power 13.7 million dollars on a Virginia jurisdictional basis in replacement power costs. In its testimony, Staff acknowledges that a standard of perfection cannot be expected and we agree. Yet, Virginia Code § 56-249.6 provides that "[t]he Commission shall disallow recovery of any fuel costs that it finds without just cause to be the result of failure of the utility to make every reasonable effort to minimize fuel costs . . ." We therefore must disallow recovery of 6.85 million dollars. Although it is not reasonable to determine the Company should have perfectly planned the outage, it certainly should have been better prepared. A correction factor reduction of 6.85 million dollars will result in a fair sharing of the costs between stockholders and ratepayers. Accordingly, it is therefore,

ORDERED:

(1) That the motion of Chesapeake, Stone and Westvaco be, and it hereby is, denied;

(2) That Virginia Power's proposed correction factor be adjusted to reflect the disallowance of 6.85 million dollars, of replacement power costs associated with the 1988-89 outages at Surry Units One and Two;

(3) That a zero-based fuel factor of 1.641¢ per kWh be, and the same is hereby, approved effective for the billing month of November, 1990; and

(4) That this case is continued generally.

CASE NO. PUE900058
NOVEMBER 20, 1990

PETITION OF
SHENANDOAH GAS COMPANY, COMMONWEALTH GAS SERVICES, INC.,
MOUNTAIN VIEW RENDERING COMPANY, AND ROCCO FARM FOODS, INC.

For a declaratory judgment with respect to certificates of public convenience and necessity

ORDER ON PETITION FOR DECLARATORY JUDGMENT

On September 28, 1990, Rocco Farm Foods, Inc. ("Rocco") and Mountain View Rendering Company ("Mountain View"), by counsel, filed a petition for declaratory judgment on behalf of themselves and the other captioned parties with the State Corporation Commission ("Commission"). Rocco and Mountain View represented that copies of the petition had been sent to and approved by counsel for Shenandoah Gas Company ("Shenandoah") and Commonwealth Gas Services, Inc. ("Commonwealth"). Rocco and Mountain View stated that all of the captioned parties proposed to file supporting briefs by October 15, 1990, and had agreed to submit the matter for decision based upon the pleadings and briefs.

On October 9, 1989, Shenandoah, by counsel, filed a certificate wherein it joined in the petition and adopted the factual allegations set forth therein. On October 15, 1990, Commonwealth filed a statement of support for the petition as well as a supplement, which it maintained, clarified its position on the petition. Commonwealth asserted that it believed it was not necessary to go beyond the narrow scope of declaring which utility was entitled to provide service. On the same day, counsel for Shenandoah, Mountain View and Rocco filed their briefs.

On October 31, 1990, we entered an Order docketing the captioned matter and continuing it until further order. We noted that we would make our determination on the pleadings and briefs filed herein in a subsequent order.

The parties have stipulated the salient facts necessary to make a determination in this proceeding and have provided copies of the site plan for the proposed rendering plant and a copy of the lease between Rocco, a Virginia corporation, Rocco Realty, Inc., a Virginia corporation, and Mountain View, a Virginia partnership, as part of the petition. We have carefully considered these documents as well as the briefs and pleadings submitted by the parties in formulating our analysis.

The facts as stipulated by the parties to the petition are easily stated. Mountain View is a Virginia general partnership, whose partners are subsidiary companies of Moyer Packing Company, Inc. and Rocco Enterprises, Inc. The petition does not expressly identify Rocco as one of the partners in the Mountain View Partnership. It appears from the petition that Rocco is an affiliate of Rocco Enterprises, Inc. ("Enterprises").

Mountain View is constructing a rendering plant in Shenandoah County, Virginia near Rocco's poultry processing plant. As the petition indicates, the rendering plant is scheduled to commence its operation on December 1, 1990. When the rendering plant becomes operational, Mountain View will process waste produced by Rocco and two other poultry processing plants, both of which are located in Rockingham County and are affiliates of Enterprises. Mountain View's facilities will include a rendering plant and a boiler room which will be adjacent to Rocco's existing boiler plant, as shown on the site development plan attached to the petition. Mountain View will utilize approximately 30,000 Mcf of natural gas per month in its operations. Currently, as noted in the petition, Commonwealth provides transportation service for Rocco, transporting 5,000 - 6,000 Mcf of natural gas per month for the poultry processing plant.

Shenandoah and Commonwealth both hold certificates of public convenience and necessity to provide natural gas service in Shenandoah County. In a February 17, 1984 Order entered in Application of Columbia Gas of Virginia, Inc., and Shenandoah Gas Company, Case Nos. 10620 and 12131, we issued Certificates No. G-39b and G-55b to Columbia Gas of Virginia, Inc. ("Columbia") and Shenandoah respectively. Since that time, Columbia has merged with Commonwealth, and Columbia's certificate of public convenience and necessity has been reissued in Commonwealth's name. See Application of Commonwealth Gas Services, Inc. and Columbia Gas of Virginia, Inc., For certificates under the Utility Facilities Act, Case No. PUE880093, 1988 S.C.C. Ann. Rep. 361,362.

The February 17, 1984 Order entered in Case Nos. 10620 and 12131 recognizes that Certificates G-39b and G-55b were issued to resolve certain service territory disputes between Shenandoah and Columbia over Shenandoah, Clark and Warren Counties. In that Order, we noted that as of February 17, 1984, no new customers had been added by Columbia in the counties in question since December 21, 1982. In Finding Paragraph (2) of the February 17, 1984 Order we determined that:

> . . . an amended certificate should be issued to Columbia for Shenandoah County eliminating certain small portions of territory previouslycertificated to Columbia in this County but authorizing Columbia to continue serving customers being served as of the date of this Order and their successors; . . .

This Order further directed that amended certificates should be issued to Shenandoah, continuing the certificate authorization previously granted to Shenandoah in Clarke, Warren and Shenandoah Counties and, at the same time, recognizing Columbia's right to continue to serve its customers in the three counties.

The Order directed that Certificate No. G-39b be issued to Columbia, authorizing it to furnish "gas service to thirty seven (37) customers in Shenandoah County as named on the Certificate and their successors who were receiving gas service as of the date of this order." We issued Certificate No. G-55b to Shenandoah, authorizing it to provide all natural gas service in Shenandoah County ". . . excluding those customers of Columbia Gas of Virginia, Inc. being served on the date of this order and as listed on Columbia's Certificate No. G-39b and their successors."

As is apparent from the language of the 1984 Order Instituting Supplemental Proceeding and Granting Amended Certificates, Columbia, now Commonwealth, was authorized to serve customers being served as of the date of the February 1984 Order. It is stipulated by the parties that Mountain View was not a customer of Columbia as of that date. Only Rocco was being served as of that date and is listed as a customer on Attachment No. 1 to Columbia's Certificate No. G-39b.

Columbia's Certificate No. G-39b also authorized it to serve successors of the persons being served as of the date of the October 17, 1984 Order. Thus, if Mountain View could be considered a successor to Rocco, it might be argued that Columbia and now Commonwealth might be authorized to provide natural gas service to that entity. Black's Law Dictionary defines "successor" as "[o]ne that succeeds or follows; one who takes the place that another has left, and sustains the like part or character; . . ." With reference to corporations, the word "successor" has been determined to mean "another corporation which, through amalgamation, consolidation or other legal succession, becomes invested with rights and assumes burdens of [the] first corporation." Black's Law Dictionary 1600 (4th ed. 1968).

As a Virginia general partnership, Mountain View is a separate legal entity with legal rights and privileges separate and distinct from Rocco, a Virginia corporation. Further, the petition does not expressly identify Rocco as a partner within the Mountain View partnership. The legal distinctions existing between Rocco and Mountain View are nowhere better illustrated than in the lease, found as Attachment 2 to the petition.

As is evident from the terms of the lease, Mountain View, not Rocco, is charged with the construction of the rendering plant. Petition, Attachment 2, Para. 7, at pp. 3-4. Construction of this plant is to be coordinated with Rocco Realty, Inc., a Virginia corporation. Id. At Paragraph 12 of the lease, all parties, which include Rocco and Mountain View, agree to indemnify each other against claims, demands, debts or obligations which may be made against either of them arising solely out of their individual acts or omissions. Petition, Attachment 2 at 6. Mountain View alone is responsible for insuring the improvements placed on the leased property as well as all of its property. Petition, Attachment 2, Para. 13 at 6. In sum, Mountain View is not a "successor" to Rocco. It has not assumed Rocco's rights and burdens. It exercises rights and responsibilities separate and distinct from those of Rocco.

Since Mountain View was not in existence when Certificate No. G-39b was issued to Columbia and since Mountain View may not be considered a successor of Rocco, we must conclude that Columbia, now Commonwealth, may not provide service to Mountain View under Certificate No. G-39b. We further find that Shenandoah is the public utility authorized by its certificate, Certificate No. G-55b to serve the remainder of Shenandoah County.

Having construed the certificates in question, we agree with Commonwealth that it is not necessary to go beyond the narrow issue of declaring which utility is entitled to serve. To do otherwise would be to answer speculative inquiries based upon assumed facts and to render an advisory opinion. That is not a proper function of a declaratory judgment. See Reisen v. Aetna Life & Cas. Co., 225 Va. 327,331 (1983).

Accordingly, IT IS ORDERED:

(1) That Certificate No. G-39b expressly authorizes Commonwealth to provide service to Rocco Farm Foods, located in Edinburg, Virginia;

(2) That Shenandoah's Certificate No. G-55b, authorizing Shenandoah to provide natural gas service within the territory indicated on the map attached to the certificate, and excluding those customers of Columbia Gas of Virginia, Inc. being served in the County on February 17, 1984, and as listed on Columbia Certificate No. G-39b, and their successors, being served from mainline taps in the transmission pipelines owned by Columbia Gas Transmission Corporation, together with such other territorial exclusions as are not germane to the disposition of this petition, authorizes Shenandoah to provide natural gas service to Mountain View; and

(3) That there being nothing further to be done herein, the same is hereby dismissed.

CASE NO. PUE900059
OCTOBER 22, 1990

IN THE MATTER OF
VIRGINIA ELECTRIC AND POWER COMPANY

Sale of Accounts Receivable

FINAL ORDER

Virginia Electric and Power Company has filed a pleading entitled "Petition for Declaratory Judgment," dated October 3, 1990. The Company intends to enter into an arrangement with First National Bank of Chicago and its affiliate, Preferred Receivables Funding Corporation, for ongoing sales of Virginia Power billed and unbilled accounts receivable in amounts up to $300 million. The terms and conditions of the transaction are described in the petition and the accompanying exhibits.

The Petition alleges that Commission approval of the transaction under Chapter 3 of Title 56 of the Code of Virginia is unnecessary because the sale of the accounts receivable is a sale of assets and not the issuance of securities or other indebtedness which would be covered by Chapter 3. It further alleges that Chapter 5 of Title 56 does not apply because the accounts receivable being sold do not come within the definition

of utility assets in § 56-88(c). The Company requests a Commission ruling that neither Chapter 3 nor Chapter 5 of Title 56 applies to the proposed arrangement.

THE COMMISSION is of the opinion and finds, based strictly on the facts of the proposal in this case, that the Company need not seek authority under Chapters 3 and 5 of Title 56 of the Code for the reasons stated in the Petition. However, our consideration of the matter cannot end there. The arrangement could involve up to $300 million of the Company's assets and could affect the capital structure on which the Company's electric rates are based. In the circumstances, our general authority under § 56-35 of the Code requires that we examine future transactions pursuant to the proposed arrangement to forestall any untoward effects on electric rates and service.

ACCORDINGLY, IT IS ORDERED:

(1) That the Company shall provide the Commission Staff such information about the arrangement and future transactions under it as Staff may require in connection with future Annual Informational Filings and rate filings, expedited or general, made by the Company;

(2) That this Final Order shall not be construed to authorize the issuance of any security or evidence of indebtedness by Virginia Electric and Power Company;

(3) That this Final Order shall not be construed to authorize or require the Commission to grant any particular ratemaking treatment to the proposed arrangement, transactions under it, or their effects on the Company; and

(4) That, there being nothing further to come before the Commission in this proceeding, Case No. PUE900059 shall be closed and the papers herein shall be placed in the Commission's files for ended causes.

DIVISION OF RAILROAD REGULATION

CASE NO. RRR830003
JANUARY 31, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte, in re: Adoption of Standards and Procedures to Administer the Staggers Rail Act of 1980

ORDER ADOPTING REGULATIONS

On November 2, 1989, the Commission issued an order in this proceeding giving notice of its intent to adopt regulations. The regulations consist of the Standards and Procedures Governing Intrastate Rail Rates in Virginia, revised as of October 20, 1989. In addition, the Commission will interpret the Standards and Procedures consistently with commitments undertaken by the Commission in its March 13, 1989 Supplemental Submission to the Interstate Commerce Commission. The October 20, 1989 Standards and Procedures supersede all previous Commission requirements for administration of the Staggers Rail Act of 1980.

Copies of the Standards and Procedures and the Supplemental Submission, along with the November 2 order, have been sent to each rail carrier operating in Virginia and the order was published in the Virginia Register on December 4, 1989. In the order, the Commission asked interested parties to file any written comments or requests for hearing on the Standards and Procedures on or before January 15, 1990, but no comments or requests for hearing were received. Accordingly,

IT IS ORDERED:

(1) That the Standards and Procedures Governing Intrastate Rail Rates in Virginia, revised as of October 20, 1989, as contained in the attachment to this order, shall be adopted as regulations, effective as of the date of this order;

(2) That notice of the adoption of these regulations shall be published in the Virginia Register;

(3) That a copy of this order (including the attachment) shall be sent to each rail carrier operating within Virginia; and

(4) That, there being nothing further to be done in this matter, this case is dismissed and record herein shall be made a part of the Commission's files for ended causes.

NOTE: A copy of the Standards and Procedures to Administer the Staggers Rail Act of 1980 is on file and may be examined at the State Corporation Commission, Document Control Center, Floor B-1, Jefferson Building, Bank and Governor Streets, Richmond, Virginia.

CASE NO. RRR900001
APRIL 11, 1990

APPLICATION OF
NORFOLK SOUTHERN CORPORATION

For authority to transfer the agency work of Lawrenceville, Virginia to the agency at Suffolk, Virginia, and to change the classification of Lawrenceville from agency status to a nonagency status

FINAL ORDER

On January 17, 1990, Norfolk Southern Corporation filed an application requesting authority to discontinue the station agency duties at its Lawrenceville, Virginia station, to transfer those duties to Suffolk, Virginia, and to change the classification of Lawrenceville from agency station status to nonagency station status. By order of January 31, 1990, the Commission required public notice of the application and instructed its Division of Railroad Regulation to investigate the matter. Public comments and requests for hearing were required to be filed on or before March 19, 1990 and the Division's investigation report was to be submitted by April 9, 1990.

The Division investigated the matter and filed a report of its comments and recommendations on March 30, 1990. It found that adequate and efficient service would be maintained if the transfer of agency duties were permitted and that the Company would experience lower expenses if the application were approved. The Division interviewed a number of railroad patrons and local officials, none of whom expressed opposition to the transfer so long as adequate service would be maintained. No requests for hearing were received.

Based upon the Division's investigation and recommendation, the Commission finds that the application should be approved; accordingly,

IT IS ORDERED:

(1) That Norfolk Southern Corporation is authorized to transfer the station agency duties currently performed at Lawrenceville, Virginia, to Suffolk, Virginia, and, upon such transfer, to discontinue the station agency duties at Lawrenceville;

(2) That, upon such transfer, Norfolk Southern Corporation is authorized to reclassify its Lawrenceville station to nonagency station status; and

(3) That, there being nothing further to come before the Commission in this proceeding, Case Number RRR900001 be closed and the papers therein be placed in the Commission's files for ended causes.

CASE NO. RRR900002
SEPTEMBER 27, 1990

APPLICATION OF
NORFOLK AND WESTERN RAILWAY COMPANY

For authority to reclassify Norton, Virginia as a non-agency station under the jurisdiction of the Andover, Virginia, agency

FINAL ORDER

By application dated January 23, 1990, the Norfolk and Western Railway Company (NW) requested authority to abolish the NW agency at Norton, Virginia, and to reclassify Norton as a non-agency station under the jurisdiction of NW's Andover, Virginia agency. By order of March 7, 1990, the Commission required public notice of the application and instructed its Division of Railroad Regulation to investigate the matter. Public comments and requests for hearing were required to be filed on or before August 8, 1990, and the Division's investigation report was to be submitted by September 21, 1990.

The Division investigated the matter and filed a report of its comments and recommendations on September 17, 1990. It found that adequate and efficient service would be maintained if the application were granted. No comments opposing the application were submitted and no requests for hearing were received.

Based upon the Division's investigation and recommendations, the Commission finds that the application should be approved; accordingly,

IT IS ORDERED:

(1) That the Norfolk and Western Railway Company is authorized to abolish its agency at Norton, Virginia, and to reclassify Norton as a non-agency station under the jurisdiction of NW's Andover, Virginia agency; and

(2) That, there being nothing further to come before the Commission in this proceeding, Case Number RRR900002 shall be closed and the papers therein placed in the Commission's files for ended causes.

CASE NO. RRR900003
JULY 16, 1990

APPLICATION OF
CSX TRANSPORTATION, INC.

For authority to relocate the agency duties of Suffolk, Virginia along with the nonagency stations under its jurisdiction, namely, Kilby, Magnolia, Nurney, and South Suffolk, Virginia, to the Portsmouth, Virginia Transportation Service Center.

FINAL ORDER

On February 12, 1990, CSX Transportation, Inc. (CSX) filed an application with the Commission requesting authority to relocate its Suffolk, Virginia, agency, including agency services provided to the nonagency stations of Kilby, Magnolia, Nurney and South Suffolk, to the CSX Transportation Service Center in Portsmouth, Virginia. By order of March 5, 1990, the Commission required public notice of the application and instructed its Division of Railroad Regulation to investigate the matter. Public comments and requests for hearing were required to be filed on or before May 18, 1990. Comments were received from several railroad patrons expressing concern about the proposed transfer, but no requests for hearing were filed.

The Division investigated the matter and filed its report on June 20, 1990. It found that adequate and efficient service can be maintained if the transfer is permitted and recommended approval of the application. Based on the Division's investigation and recommendations, the Commission finds that the application should be granted.

ACCORDINGLY, IT IS ORDERED:

(1) That CSX is authorized to relocate its Suffolk, Virginia, agency, including agency services provided to the nonagency stations of Kilby, Magnolia, Nurney and South Suffolk, to the CSX Transportation Service Center in Portsmouth, Virginia, subject to the foregoing requirements of this order;

(2) That, there being nothing further to come before the Commission in this proceeding, Case No. RRR900003 be closed and the papers therein be placed in the Commission's files for ended causes.

CASE NO. RRR900004
OCTOBER 3, 1990

APPLICATION OF
CSX TRANSPORTATION, INC.

For authority to close the agency at Pennington, Virginia and to place Pennington, Virginia and the non-agency station of Hagans, Virginia under the Dante Scale, Virginia agency

FINAL ORDER

By application dated April 16, 1990, CSX Transportation, Inc. (CSX) seeks authority from the Commission to close the CSX Pennington agency at Pennington Gap, Virginia and to place Pennington and the non-agency station at Hagans, Virginia under the jurisdiction of its Dante Scale, Virginia agency. On April 27, 1990, the Commission issued an order requiring public notice of the application and an investigation by the Division of Railroad Regulation. Public comments and requests for a formal hearing were invited on or before August 1, 1990, and the Division's investigation was to be completed by September 28, 1990.

The Division filed a report of its investigation on September 24, 1990. It found that the Pennington agency handled only 1.5 carloads of freight per month. The necessary paperwork for these carloads is currently handled by telephone between the agent and the customer, and CSX proposes to transfer these agency duties to an agency (Dante Scale) which has longer telephone hours (24 hours per day, 7 days per week) than Pennington. There will be no additional cost to railroad patrons and CSX will save approximately $42,000 per year. The Division concludes that CSX could continue to provide adequate and efficient service to the public if the duties of the Pennington agency were transferred to Dante Scale and recommends that the application be granted.

Several railroad patrons and other commentors oppose closing the Pennington agency. None of them challenge the facts found by the Division. Their objections are based largely on allegations that CSX intends to abandon rail service through Pennington Gap, which would harm the local economy. Abandonment of the rail service is not a matter within the jurisdiction of this Commission. The consequences of abandonment of the line are not at issue here, and this decision will have little or no impact on the likelihood of those consequences. Current train service would not be affected by the granting of this application.

Based upon the Division's investigation and recommendations, the Commission finds that the application should be approved; accordingly,

IT IS ORDERED:

(1) That CSX Transportation, Inc. is authorized to transfer the station agency duties currently performed at its Pennington, Virginia agency to Dante Scale, Virginia, and, upon such transfer, to discontinue the station agency duties at Pennington;

(2) That, upon such transfer of duties, CSX is authorized to reclassify its Pennington station to nonagency station status;

(3) That CSX is authorized to place the Pennington and Hagans, Virginia stations under the jurisdiction of its Dante Scale, Virginia agency, and

(4) That, there being nothing further to come before the Commission in this proceeding, Case Number RRR900004 be closed and the papers therein be placed in the Commission's files for ended causes.

CASE NO. RRR900006
NOVEMBER 9, 1990

APPLICATION OF
CSX TRANSPORTATION, INC.

For authority to close its agency at Gordonsville, Virginia, and to serve Gordonsville and the nonagency stations of Frederick Hall, Louisa, Madison Run, Orange, Pendleton, Trevilian, and South Orange, Virginia from the Richmond, Virginia Transportation Service Center, and to delete the nonagency stations of Lindsay and Mineral from the Open and Prepay Station List

FINAL ORDER

By application dated July 9, 1990, CSX Transportation, Inc. (CSX) requests authority to close its agency at Gordonsville, Virginia and to serve Gordonsville and the nonagency stations of Frederick Hall, Louisa, Madison Run, Orange, Pendleton, Trevilian and South Orange, Virginia from the CSX Transportation Service Center in Richmond, Virginia. CSX also seeks authority to close its nonagency stations at Lindsay and Mineral, Virginia and to delete them from the Open and Prepay Station List. On July 19, 1990, the Commission issued an order requiring public notice of the application and an investigation by the Division of Railroad Regulation. Public comments and requests for formal public hearing were invited on or before September 14, 1990, and the Division's investigation was to be completed by November 2, 1990.

The Division filed a report of its investigation on November 2, 1990. It found that adequate and efficient service to the public can be maintained with the closing of the Gordonsville agency and recommended that Gordonsville, Frederick Hall, Louisa, Madison Run, Orange,

Pendleton, Trevilian, South Orange and Lindsay be served from the Richmond Transportation Service Center. The Division also recommends granting the request to delete Mineral from the Open and Prepay Station List, but it recommends denial of the same request for Lindsay because freight continues to be received there.

Several comments were submitted by railroad patrons and public officials, although none requested a public hearing. The concerns of all of the railroad patrons about agency services are reported to have been resolved to their satisfaction. There remains, however, concern that CSX maintain adequate train service to Gordonsville, and we agree that adequate train service should be maintained there. The subject of this application is only the transfer of the freight agency duties from Gordonsville to the Richmond Transportation Service Center. That can be accomplished without any loss of service quality and at a savings of $44,000 per year to CSX. Current train service would not be affected by our decision on this application.

Based upon the Division's investigation report and recommendations, the Commission finds that the application should be granted in part and denied in part; accordingly,

IT IS ORDERED:

(1) That CSX is authorized to transfer the station agency duties currently performed at Gordonsville, Virginia to its Richmond, Virginia Transportation Service Center;

(2) That, upon such transfer of duties, CSX is authorized to reclassify its Gordonsville station to nonagency station status and to serve it and the stations at Frederick Hall, Louisa, Madison Run, Orange, Pendleton, Trevilian, South Orange and Lindsay from the CSX Richmond Transportation Service Center;

(3) That the CSX request to delete Mineral from the Open and Prepay Station List is granted;

(4) That the CSX request to delete Lindsay from the Open and Prepay Station List is denied; and

(5) That, there being nothing further to come before the Commission in this proceeding, Case Number RRR900006 be closed and the papers therein be placed in the Commission's files for ended causes.

DIVISION OF SECURITIES AND RETAIL FRANCHISING

CASE NO. SEC880013 and CASE NO. SEC880071
APRIL 9, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
WHITEHALL SECURITIES, INC.
and
PETER LUDWIG GAMBY,
Defendants

ORDER ON REMAND

As set forth in its order dated November 22, 1989, the Supreme Court of Virginia opined that the Commission has jurisdiction over the Defendants but reversed the Commission's orders and remanded both cases for "further consideration of the amount of fines imposed." Subsequently, the Defendants and the Division of Securities and Retail Franchising, by their respective counsel, discussed the possibility of an agreed order in these cases in lieu of engaging in further proceedings before the Commission. As a consequence of these discussions, the Defendants have agreed to forego further proceedings and (i) to pay to the Commonwealth a penalty in the amount of $35,000 on account of their activities previously found by the Commission to have violated the Securities Act; (ii) to make payment of the penalty in the following manner: $25,000 by certified or cashier's check upon entry of this order and $10,000 by certified or cashier's check within 60 days after entry of this order; and (iii) to be permanently enjoined from engaging in such violations in the future.

THE COMMISSION, upon consideration of the circumstances of these cases, is of the opinion and finds that this order should be entered; accordingly, it is

ORDERED:

(1) That ordering paragraphs (1) and (2) of the Final Orders and Judgments entered in these cases on February 15, 1989, are hereby vacated and all other provisions of those orders are continued in effect;

(2) That pursuant to Va. Code § 13.1-519, Whitehall Securities, Inc., including its directors, officers, employees, agents, successors or assigns, be, and they hereby are, permanently enjoined (i) from transacting business in this Commonwealth as unregistered broker-dealers in violation of Va. Code § 13.1-504 A or (ii) from employing unregistered agents in violation of Va. Code § 13.1-504 B;

(3) That pursuant to Va. Code § 13.1-519, Peter Ludwig Gamby be, and he hereby is, permanently enjoined from transacting business in this Commonwealth as an unregistered agent in violation of Va. Code § 13.1-504 A;

(4) That pursuant to Va. Code § 12.1-15 and § 13.1-521, Whitehall Securities, Inc. and Peter Ludwig Gamby be, and they hereby are, jointly penalized in the amount of $35,000 and that the Commonwealth recover of and from the Defendants said amount;

(5) That the sum of $25,000 tendered in partial payment of the aforesaid penalty by the Defendants contemporaneously with the entry of this order is accepted;

(6) That the Defendants shall pay the balance of the penalty within 60 days after the date of this order; and,

(7) That the Commission shall retain jurisdiction in this matter for all purposes.

NOTE: A copy of the Final Orders and Judgments entered in these cases on February 15, 1989, are on file and may be examined at the State Corporation Commission, Document Control Center, Floor B-1, Jefferson Building, Bank and Governor Streets, Richmond, Virginia.

CASE NO. SEC880152
JANUARY 25, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
BRANCH, CABELL & CO.,
Defendant

AMENDMENT TO ORDER ACCEPTING OFFER OF COMPROMISE AND SETTLEMENT

On May 31, 1989, the Commission entered an Order Accepting Offer of Compromise and Settlement in this matter (the "Order"). In addition to other provisions of the Order, the Commission retained jurisdiction of this matter for all purposes. The Order provides, among other things, for a review and evaluation of certain policies and procedures of Branch, Cabell & Co. ("Branch Cabell"). Branch Cabell is in the process of converting its back office operations, including execution, clearance, and data processing functions, to Cowen and Company following which Branch Cabell will be an introducing broker through Cowen and Company. As the result of this conversion, the policies and procedures may change and Branch Cabell has moved the Commission for an amendment to the Order. The Commission, being fully advised in the premises, believes that such an amendment is appropriate.

Accordingly, it is ORDERED:

1. That the representations and undertakings of Branch Cabell set forth in paragraphs (1) through (8) at pages 3-6 of the Order are hereby deleted and the following representations and undertakings are substituted in their place:

(1) Branch Cabell has made full restitution, including interest, in the amount of $142,368.92 to twelve customers who suffered losses by reason of the unauthorized activities of John M. Moates;

(2) Branch Cabell has revised its written policies and procedures relating to operations and compiled them into an Operations Policies and Procedures Manual which includes policies and procedures governing the handling of customer funds and securities by Branch Cabell's agents;

(3) Branch Cabell has retained the firm of Price Waterhouse to independently review and evaluate Branch Cabell's internal controls and written procedures with respect to handling of customer funds and securities by Branch Cabell's agents, including, but not limited to, hand delivery of checks to customers by Branch Cabell's agents, maintaining customers' current addresses and address changes and establishing customer margin accounts, supervisory practices governing such internal controls and procedures and to make recommendations, if deemed necessary, for the update and/or improvement of the internal controls and procedures in these areas;

(4) Prior to the Price Waterhouse review and evaluation of Branch Cabell's internal controls and procedures referred to in paragraph (3) above, Price Waterhouse met with an accounting firm with a national practice, retained by the Commission at Branch Cabell's expense, to formulate a work plan acceptable to both accounting firms for said review and evaluation;

(5) On October 30, 1989, Price Waterhouse filed with the Commission a special audit report (the "Special Audit Report") setting forth the results of Price Waterhouse's review and evaluation referred to in paragraph (3) and its recommendations for changes in the procedures covered in the Special Audit Report;

(6) On or before August 1, 1990, Branch Cabell will revise its Operations Policies and Procedures Manual to include any changes in the policies and procedures referred to in paragraph (3) above that may be required or advisable as the result of the conversion of its back office operations to Cowen and Company;

(7) On or before October 1, 1990, Price Waterhouse will review and evaluate any changes in the policies and procedures referred to in paragraph (3) above that Branch Cabell may make pursuant to paragraph (6) above and will file with the Commission a supplement to the Special Audit Report setting forth the results of such review and evaluation.

(8) Promptly following completion by Price Waterhouse of the supplemental review and evaluation referred to in paragraph (7) above, Branch Cabell will implement a training and counselling program consisting, at a minimum, of a training session at least once every twelve months during the next twenty-four months to be attended by all Branch Cabell agents and all other Branch Cabell employees subject to or affected by the procedures referred to in paragraphs (2), (3), and (6) above. These training sessions will be for the purposes of ensuring compliance with the firm's internal controls and procedures relating to handling of customer funds and securities by Branch Cabell's agents, including, but not limited to, delivery of checks to customers by Branch Cabell's agents, maintaining customers' current addresses and address changes and establishing margin accounts. These training sessions will be conducted by a representative of Price Waterhouse in conjunction with such personnel from Branch Cabell's offices as may be appropriate. Branch Cabell will submit to the Commission a schedule for these training and counseling programs;

(9) Price Waterhouse will perform audits of all Virginia offices for the purpose of determining the level of compliance by those offices with Branch Cabell's internal controls and procedures relating to handling of customer funds and securities by Branch Cabell's agents, including but not limited to hand delivery of checks to customers by Branch Cabell's agents, maintaining customers' current addresses and address changes, and establishing margin accounts, and supervisory practices governing such procedures, no less frequently than once every twelve months for the next twenty-four months following the completion of the first training and counseling program referred to in paragraph (8). Promptly after the completion of each audit, the results will be set forth in a written report, a copy of which will be promptly filed with the Commission; and

(10) The Commission has retained, at Branch Cabell's expense, an accounting firm with a national practice to:

(a) Independently review and assess the Special Audit Report and the supplement thereto prepared by Price Waterhouse pursuant to paragraphs (3), (5), and (7) above, including the worksheets and work product used to prepare said report and supplement;

(b) Independently review and assess the audit reports referred to in paragraph (9), including the worksheets and work product used to prepare said reports; and

(c) Conduct an independent audit of all Virginia offices should the Commission, based primarily upon the results of the reviews and assessments under clauses (a) through (b) of this paragraph (10), determine that such audit is necessary.

Branch Cabell will receive notice and will be given an opportunity to be heard before the Commission on the question of whether the audit referred to in paragraph (10)(c) is necessary.

2. Except as herein modified, the Order remains in full force and effect.

CASE NO. SEC880153
MAY 31, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
JOSEPH T. DAVIS, JR.,
Defendant

FINAL ORDER AND JUDGEMENT

THIS MATTER, instituted by Rule to Show Cause entered on August 11, 1989, was heard on May 23, 1990, after being continued from time to time. At the hearing, the Division of Securities and Retail Franchising was represented by its counsel. The Defendant, Joseph T. Davis, Jr., filed a pleading in response to the Rule to Show Cause and appeared pro se at the hearing.

THE COMMISSION, based upon the evidence herein, is of the opinion and finds:

(1) That Joseph T. Davis, Jr. is the president and a director of L.P.R. Ltd. ("L.P.R."), a Virginia corporation;

(2) That L.P.R. was incorporated for the primary purpose of engaging in the business of manufacturing and distributing weather-free paper boxes;

(3) That in or about June 1984, Mr. Davis subscribed to and obtained 81% (4,250 shares) of the authorized common stock of L.P.R. in consideration of all of Mr. Davis' rights, title, and interests in the design and creation of the weather-free paper boxes;

(4) That in or about June 1984, Linda H. Davis, the wife of Joseph T. Davis, Jr., subscribed to and obtained 19% (750 shares) of the authorized common stock of L.P.R. in consideration of all of Mrs. Davis' rights, title and interests in the design and creation of weather-free paper boxes;

(5) That the stock restriction agreement pertaining to L.P.R. common stock obligates Joseph T. Davis, Jr. and Linda H. Davis to sell as many of their shares of stock as necessary to pay the indebtedness of L.P.R. and to allow L.P.R. to have operating capital until such time that L.P.R. can function and operate on profits derived from the sale of its product;

(6) That the shares of L.P.R. are securities for purposes of the Virginia Securities Act;

(7) That the shares of L.P.R. are not and never have been registered under the securities registration provisions of the Virginia Securities Act;

(8) That between July 1984 and March 1987, Mr. Davis sold a portion of his shares of stock of L.P.R. to at least five investors in five separate transactions;

(9) That Mr. Davis failed to inform the purchasers that he intended to use a portion of their investments to pay his (Davis') personal living expenses and that he intended to finance L.P.R.'s expenses by loaning it money;

(10) That the conduct related in paragraph (9) above resulted in an omission of material facts in four of the five sales of securities;

(11) That Mr. Davis failed to comply with the terms of this Commission's Order Accepting Settlement dated December 21, 1988;

(12) That the aforesaid activities constitute five violations of Virginia Code § 13.1-507, four violations of Virginia Code § 13.1-502, and one violation of Virginia Code § 13.1-521; and

(13) That Joseph T. Davis, Jr. should be enjoined from committing such acts in the future and should be penalized $500 per violation on account of having committed such acts; it is, therefore,

ORDERED:

(1) That pursuant to Virginia Code § 13.1-519, Joseph T. Davis, Jr. be, and he hereby is, permanently enjoined from directly or indirectly offering or selling any security in violation of Virginia Code § 13.1-502 or § 13.1-507;

(2) That pursuant to Virginia Code § 13.1-521, Joseph T. Davis, Jr. be, and he hereby is, penalized in the amount of five thousand dollars ($5,000) and that the Commonwealth recover of and from the Defendant said amount; and

(3) That as there appears nothing further to be done in this proceeding, this case be dismissed from the docket and the papers be placed in the file for ended causes.

CASE NO. SEC890032
SEPTEMBER 19, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
WILLIAM E. LILLISTON, SR., t/a
CHINCOTEAGUE BAY OYSTER FARMS,
Defendant

ORDER DISMISSING CASE

On March 29, 1989, this matter was initiated by a Rule to Show Cause alleging, among other things, that William E. Lilliston, Sr. ("Lilliston"), the Defendant, sold unregistered securities in the form of investment contracts. On May 4, 1989, this proceeding was continued generally pending a determination by the United States Bankruptcy Court for the District of Maryland ("Bankruptcy Court") of whether this proceeding violated the automatic stay provisions of 11 U.S.C.A. § 362(a). After the Bankruptcy Court determined there was no such violation, this matter was set for hearing by order of July 2, 1990. Lilliston filed a pleading in response to the Rule to Show Cause on August 6, 1990, and appeared pro se at the September 6, 1990 hearing.

The Commission, after hearing the evidence and considering all the particular circumstances of this case, is of the opinion and finds that Lilliston's oyster farming investment packages do not constitute securities in the nature of investment contracts, or otherwise. Accordingly, it is

ORDERED:

(1) That this matter be, and it hereby is, dismissed; and

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

CASE NO. SEC890084
DECEMBER 19, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
V.
BARRY SCOTT WARD,
Defendant

ORDER ACCEPTING OFFER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising ("Division") has instituted an investigation of Defendant, Barry Scott Ward, pursuant to Section 13.1-518 of the Code of Virginia.

As a result of its investigation, the Division alleges that Defendant, in violation of Section 13.1-504 and Section 13.1-507 of the Virginia Securities Act has:

1. Transacted business in this Commonwealth as an agent without being so registered under the Virginia Securities Act;

2. Offered and sold securities in this Commonwealth to Virginia investors without the securities being registered under the Virginia Securities Act or the securities or transactions being exempted by the Act.

Defendant neither admits nor denies these 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 him, Defendant has offered, and agrees to comply with, the following terms and undertakings:

1. For a period of five (5) years, Defendant will be enjoined (a) from being registered in any capacity under the Virginia Securities Act; (b) from transacting business as a securities broker-dealer or agent in this Commonwealth; and (c) from engaging in any transaction or the offer and sale of any security exempted from registration under the Virginia Securities Act;

2. Defendant will pay a penalty to the Commonwealth in the amount of five hundred dollars ($500.00) which will be tendered comtemporaneously with the entry of this order.

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 aforesaid terms and undertakings of the settlement;

3. That the sum of five hundred dollars ($500.00) tendered by Defendant contemporaneously with the entry of this order is accepted;

4. That Defendant is enjoined from being registered or from engaging in the activities as described above for a period of five (5) years;

5. That Defendant is enjoined from any further conduct which constitutes a violation of Virginia Code Section 13.1-507; and

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

CASE NO. SEC890087
JANUARY 22, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
FITZGERALD TALMAN, INC.,
Defendant

FINAL ORDER AND JUDGMENT

THIS MATTER, instituted by Rule to Show Cause entered on December 15, 1989, was scheduled for hearing and was heard on January 17, 1990. At the hearing, the Division of Securities and Retail Franchising was represented by its counsel. The Defendant, Fitzgerald Talman, Inc., neither filed a pleading in response to the Rule to Show Cause nor appeared by counsel at the hearing.

The Commission, based upon the evidence herein, is of the opinion and finds:

(1) That an attested copy of the aforesaid Rule to show Cause was duly served upon the Defendant pursuant to the provisions of Virginia Code § 13.1-517;

(2) That the Defendant, having failed to file a responsive pleading and having failed to appear at the hearing, is in default;

(3) The the Defendant, a Colorado corporation, was registered as a broker-dealer under the Virginia Securities Act (Virginia Code §§ 13.1-501 - 13.1-527.3 (1989)) from July, 1984 through the end of December, 1989;

(4) That Shannon Akira Hayashi was employed as an agent by the Defendant from December 1985 through February 1989;

(5) That between approximately April 7, 1987 and May 1, 1987, Shannon Akira Hayashi, as an agent of the Defendant offered and sold in this Commonwealth approximately 11,000 units of Alpha Solarco-Solectric on three separate occasions to a Virginia resident;

(6) That each unit of Alpha Solarco-Solectric contains one share of Alpha Solarco, Inc. common stock and one share of Solectric common stock;

(7) That on approximately May 19, 1987, Shannon Akira Hayashi, as an agent of the Defendant, offered and sold in this Commonwealth approximately 500 shares of Alpha Solarco, Inc. common stock to the spouse of the Virginia resident referred to in paragrahp (5) above;

(8) That the shares of Alpha Solarco, Inc. are not and never have been registered under the securities registration provisions of the Virginia Securities Act;

(9) That at the time of the transactions related in paragraphs (5) and (7), above, Shannon Akira Hayashi was not registered as an agent under the agent registration provisions of the Virginia Securities Act;

(10) That the Defendant established and/or maintained a specious account for the Virginia resident mentioned in paragraph (5), above, by falsely listing such resident's address as being in Colorado in order to make the transactions appear to be beyond the scope of the Virginia Securities Act;

(11) That the Defendant willfully and intentionally violated each of Virginia Code §§ 13.1-504B and 13.1-507 on four separate occasions; and

(12) That the Defendant should be enjoined from committing such acts in the future and should be penalized on account of having committed such acts; it is, therefore,

ORDERED:

(1) That pursuant to Virginia Code § 13.1-519, Fitzgerald Talman, Inc. be, and it hereby is, permanently enjoined from employing an unregistered agent in violation of Virginia Code § 13.1-504B and from directly or indirectly selling any security in violation of Virginia Code § 13.1-507;

(2) That pursuant to Virginia Code § 13.1-521, Fitzgerald Talman, Inc. be, and it hereby is, penalized in the amount of $40,000 and that the Commonwealth recover of and from the Defendant said amount; and

(3) That as there appears nothing further to be done in this proceeding, this case is dismissed from the docket and the papers be placed in the file for ended causes.

CASE NO. SEC890088
JANUARY 22, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
SHANNON AKIRA HAYASHI,
Defendant

FINAL ORDER AND JUDGMENT

THIS MATTER, instituted by Rule to Show Cause entered on November 3, 1989, was scheduled for hearing and was heard on January 17, 1990. At the hearing, the Division of Securities and Retail Franchising was represented by its counsel. The Defendant, Shannon Akira Hayashi, neither filed a pleading in response to the Rule to Show Cause nor appeared in person or by counsel at the hearing.

The Commission, based upon the evidence herein, is of the opinion and finds:

(1) That an attested copy of the aforesaid Rule to Show Cause was duly served upon the Secretary of the Commonwealth as statutory agent for the Defendant pursuant to the provisions of Virginia Code § 8.01-329;

(2) That the Defendant, having failed to file a responsive pleading and having failed to appear at the hearing, is in default;

(3) The the Defendant was employed as an agent of Fitzgerald Talman, Inc. from December 1985 through February 1989;

(4) That Fitzgerald Talman, Inc., a Colorado corporation, was registered as a broker-dealer under the Virginia Securities Act (Virginia Code §§ 13.1-501 - 13.1-527.3 (1989)) from July, 1984 through the end of December, 1989;

(5) That between approximately April 7, 1987 and May 1, 1987, the Defendant offered and sold in this Commonwealth approximately 11,000 units of Alpha Solarco, Inc. - Solectric on three separate occasions to a Virginia resident;

(6) That each unit of Alpha Solarco-Solectric contains one share of Alpha Solarco, Inc. common stock and one share of Solectric common stock;

(7) That on approximately May 19, 1987, the Defendant offered and sold in this Commonwealth approximately 500 shares of Alpha Solarco, Inc. common stock to the spouse of the Virginia resident referred to in paragraph (5) above;

(8) That the shares of Alpha Solarco, Inc. are not and never have been registered under the securities registration provisions of the Virginia Securities Act;

(9) That at the time of the transactions related in paragraphs (5) and (7), above, Shannon Akira Hayashi was not registered as an agent under the agent registration provisions of the Virginia Securities Act;

(10) That the Defendant established and/or maintained a specious account for the Virginia resident mentioned in paragraph (5), above, by falsely listing such resident's address as being in Colorado in order to make the transactions appear to be beyond the scope of the Virginia Securities Act;

(11) That the Defendant willfully and intentionally violated each of Virginia Code §§ 13.1-504A and 13.1-507 on four separate occasions; and

(12) That the Defendant should be enjoined from committing such acts in the future and should be penalized on account of having committed such acts; it is, therefore,

ORDERED:

(1) That pursuant to Virginia Code § 13.1-519, Shannon Akira Hayashi be, and he hereby is, permanently enjoined from transacting business in this Commonwealth as an unregistered agent in violation of Virginia Code § 13.1-504A and from directly or indirectly selling any security in violation of Virginia Code § 13.1-507;

(2) That pursuant to Virginia Code § 13.1-521, Shannon Akira Hayashi be, and he hereby is, penalized in the amount of $40,000 and that the Commonwealth recover of and from the Defendant said amount; and

(3) That as there appears nothing further to be done in this proceeding, this case is dismissed from the docket and the papers be placed in the file for ended causes.

CASE NO. SEC890095
JUNE 26, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
V.
DAVID DEVON MILLSAPS,
Defendant

ORDER ACCEPTING SETTLEMENT

The Commission's Division of Securities and Retail Franchising has instituted an investigation of Defendant, David Devon Millsaps, pursuant to Section 13.1-518 of the Code of Virginia.

As a result of its investigation, the Division alleges:

(1) That Defendant is Vice-President of United Investors International, Inc. ("UII"), and has held that position since the company was incorporated on June 27, 1988;

(2) That UII is a Colorado corporation whose purpose is to transact business as a broker-dealer in the securities industry;

(3) That from May 1988 through December 1988 Defendant was employed by First American Financial Consultants, Inc. ("FAFC") of Roanoke, Virginia as an investment advisor representative;

(4) That between May 12, 1988 and July 1, 1988, Defendant offered for sale and sold in Virginia shares of UII common stock to 7 Virginia residents ("Virginia investors");

(5) That each of the Virginia investors remitted payment to FAFC for his shares of UII common stock;

(6) That shares of UII common stock have never been registered under the Virginia Securities Act;

(7) That at the time of the offers and sales to the Virginia investors, Defendant was not registered as an agent under the Virginia Securities Act;

(8) That the aforesaid offers and sales by Defendant violated Sections 13.1-504 and 13.1-507 of the Virginia Securities Act;

(9) That the private placement memorandum with respect to the offering of UII common stock is dated September 6, 1988;

(10) That Defendant did not provide the private placement memorandum to the Virginia investors until 4-6 months after the offers and sales to the Virginia investors;

(11) That at the time of the offers and sales to the Virginia investors, UII was not registered as a broker-dealer under the Virginia Securities Act;

(12) That in making the offers and sales to the Virginia investors, Defendant failed to disclose the extent to which UII would be regulated by various governmental agencies and the possible detrimental effect lack of various governmental registrations or compliance with securities laws and regulations could have on UII's ability to operate in various jurisdictions;

(13) That in making the offers and sales to the Virginia investors, Defendant failed to disclose that UII would have to apply for and be granted broker-dealer registration under the Virginia Securities Act before UII could lawfully transact business in Virginia as a broker-dealer;

(14) That in making the offers and sales to the Virginia investors, Defendant failed to disclose that UII would have to apply for and be granted registration or membership with the United States Securities and Exchange Commission and the National Association of Securities Dealers, Inc. before it could lawfully transact business as a broker-dealer;

(15) That in making the foregoing offers and sales, Defendant represented to some of the Virginia investors that they would not have to pay a fee or commission in connection with their purchases of UII common stock;

(16) That each Virginia investor paid to FAFC a fee of 5% of the total amount he invested and that Defendant received a portion of these fees as commissions for the sales;

(17) That in making the offers and sales to the Virginia investors, Defendant failed to disclose exactly how many shares of UII common stock were being made available for sale in the offering;

(18) That in making the offers and sales to the Virginia investors, Defendant failed to disclose to the Virginia investors exactly what price per share the Virginia investors were paying for the UII common stock they purchased;

(19) That in making the offers and sales to the Virginia investors, Defendant failed to disclose that the price per share the Virginia investors paid for the UII common stock was arbitrarily determined and not related to assets or book value of UII;

(20) That in making the offers and sales to the Virginia investors, Defendant failed to disclose exactly what amount of money was to be raised in the offering;

(21) That in making the offers and sales to the Virginia investors, Defendant failed to disclose exactly how many shares of UII common stock were owned by each principal of UII; exactly how many shares would be owned by these principals after the offering was completed; and, that after the offering, Defendant and the other UII principals would own a majority of the outstanding UII stock and, thus, would control the company;

(22) That in making the offers and sales to the Virginia investors, Defendant failed to disclose exactly what price per share Defendant and the other UII principals would pay for the UII common stock and what form that payment would take;

(23) That in making the offers and sales to the Virginia investors, Defendant failed to disclose that the price per share the Virginia investors would pay was significantly greater than the price per share to be paid by Defendant and the other UII principals, thus causing the value of the Virginia investors' shares to be significantly diluted from the original purchase price paid by the Virginia investors;

(24) That in making the offers and sales to the Virginia investors, Defendant failed to disclose that UII did not expect to pay any dividends to shareholders in the foreseeable future;

(25) That in making the offers and sales to the Virginia investors, Defendant failed to disclose how the gross proceeds from the offering would be utilized and in what amounts;

(26) That in making the offers and sales to the Virginia investors, Defendant failed to disclose what portion of the gross proceeds would be used to compensate Defendant and the other UII principals in the form of sales commissions connected with the offering;

(27) That in making the offers and sales to the Virginia investors, Defendant failed to disclose what portion of the offering proceeds would be used to pay legal service expenses connected with the offering;

(28) That in making these offers and sales to the Virginia investors, Defendant failed to disclose what portion of the offering proceeds would be used for working capital of UII;

(29) That in making the offers and sales to the Virginia investors, Defendant failed to disclose that UII might not be able to raise enough money in the offering to sustain it until it became profitable;

(30) That in making the offers and sales to the Virginia investors, Defendant failed to disclose that William S. Gotchey, President of FAFC, would have access to and could withdraw a portion of their investment money prior to FAFC purchasing UII securities on their behalf;

(31) That in making these offers and sales to the Virginia investors, Defendant failed to disclose that UII had entered into an agreement whereby FAFC and William S. Gotchey, President of FAFC, would receive for services rendered 5% of the shares of UII outstanding after completion of the offering;

(32) That in making the offers and sales to the Virginia investors, Defendant failed to disclose that a portion of their funds would be loaned to Danny Carlton Frye, President of UII, in order for him to purchase shares of UII common stock in the name of and for the benefit of Danny Carlton Frye;

(33) That in making the offers and sales to the Virginia investors, Defendant failed to disclose that UII was dependent on certain members of the UII management remaining employed and devoting their full time to the company;

(34) That in making the offers and sales to the Virginia investors, Defendant failed to disclose the relevant management experience and work history of each of the UII principals;

(35) That in making the offers and sales to the Virginia investors, Defendant failed to disclose the anticipated yearly compensation of each of the UII principals after completion of the offering;

(36) That in making the offers and sales to the Virginia investors, Defendant failed to disclose the conditions and terms of the employment contracts of all of the UII principals;

(37) That in making the offers and sales to the Virginia investors, Defendant failed to disclose that the profitability and success of UII would be affected by general economic conditions and various events in the securities markets;

(38) That in making the offers and sales to the Virginia investors, Defendant failed to disclose the extent of the competition to UII in the broker-dealer industry; and,

(39) That the above actions constitute violations of Section 13.1-502 of the Virginia Securities Act.

Defendant neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this order.

Defendant has represented to the Division that neither he nor United Investors International, Inc. has the necessary funds to make an offer of rescission. As an offer to settle all matters arising from the allegations made against him, Defendant has proposed and agreed to comply with the following terms and undertakings:

(1) Within fourteen (14) days of the date of this order, Defendant agrees to cause UII to submit to the Division a request to withdraw its broker-dealer registration application filed under the Virginia Securities Act; that should UII's request for withdrawal be accepted, UII and any other firm that Defendant controls by reason of ownership or position will not reapply or apply for broker-dealer registration under the Virginia Securities Act for a period of twenty-four (24) months from the date of this order; provided, however, that if within the twenty-four month period Defendant makes or causes to be made a written offer to rescind the sale of shares of UII which he sold to Virginia investors and makes restitution to the investors who accept the offer, UII may then resubmit to the Division an application for broker-dealer registration in the Commonwealth.

(2) Defendant will send to each Virginia investor a written disclosure document which will include, but will not be limited to, a copy of this order, information about UII and the securities of UII purchased by the Virginia investors, as well as that information required by Virginia Code Section 13.1-510(b)(1)-(13), so far as applicable. Financial data to be included in the disclosure document shall include UII's audited financial statements for the period ended May 31, 1989, along with updated unaudited financial statements dated as of a date not more than sixty days prior to the date of mailing of the disclosure document.

(3) Evidence of compliance with the provisions of paragraph (2), above, will be filed with the Division by Defendant within seven (7) days from the date the written disclosure documents are sent; such evidence will be in the form of an affidavit, executed by Defendant, which will contain the following information: (i) the names and addresses of each Virginia investor to whom Defendant sent a written disclosure document, and (ii) the date on which each document was sent.

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 aforesaid terms and undertakings of the settlement;

(3) That the Commission shall retain jurisdiction in this matter for all purposes.

CASE NO. SEC890096
JUNE 26, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
V.
DANNY CARLTON FRYE,
Defendant

ORDER ACCEPTING SETTLEMENT

The Commission's Division of Securities and Retail Franchising has instituted an investigation of Defendant, Danny Carlton Frye, pursuant to Section 13.1-518 of the Code of Virginia.

As a result of its investigation, the Division alleges:

(1) That Defendant is President of United Investors International, Inc. ("UII"), and has held that position since the company was incorporated on June 27, 1988;

(2) That UII is a Colorado corporation whose purpose is to transact business as a broker-dealer in the securities industry;

(3) That from March 1988 through August 1988 Defendant was employed by First American Financial Consultants, Inc. ("FAFC") of Roanoke, Virginia as an investment advisor representative;

(4) That between April 22, 1988 and June 17, 1988, Defendant offered for sale and sold in Virginia shares of UII common stock to 15 Virginia residents ("Virginia investors");

(5) That each of the Virginia investors remitted payment to FAFC for his shares of UII common stock;

(6) That shares of UII common stock have never been registered under the Virginia Securities Act;

(7) That at the time of the offers and sales to the Virginia investors, Defendant was not registered as an agent under the Virginia Securities Act;

(8) That the aforesaid offers and sales by Defendant violated Sections 13.1-504 and 13.1-507 of the Virginia Securities Act;

(9) That the private placement memorandum with respect to the offering of UII common stock is dated September 6, 1988;

(10) That Defendant did not provide the private placement memorandum to the Virginia investors until 4-6 months after the offers and sales to the Virginia investors;

(11) That at the time of the offers and sales to the Virginia investors, UII was not registered as a broker-dealer under the Virginia Securities Act;

(12) That in making the offers and sales to the Virginia investors, Defendant failed to disclose the extent to which UII would be regulated by various governmental agencies and the possible detrimental effect lack of various governmental registrations or compliance with securities laws and regulations could have on UII's ability to operate in various jurisdictions;

(13) That in making the offers and sales to the Virginia investors, Defendant failed to disclose that UII would have to apply for and be granted broker-dealer registration under the Virginia Securities Act before UII could lawfully transact business in Virginia as a broker-dealer;

(14) That in making the offers and sales to the Virginia investors, Defendant failed to disclose that UII would have to apply for and be granted registration or membership with the United States Securities and Exchange Commission and the National Association of Securities Dealers, Inc. before it could lawfully transact business as a broker-dealer;

(15) That in making the foregoing offers and sales, Defendant represented to some of the Virginia investors that they would not have to pay a fee or commission in connection with their purchases of UII common stock;

(16) That each Virginia investor paid to FAFC a fee of 5% of the total amount he invested and that Defendant received a portion of these fees as commissions for the sales;

(17) That in making the offers and sales to the Virginia investors, Defendant failed to disclose exactly how many shares of UII common stock were being made available for sale in the offering;

(18) That in making the offers and sales to the Virginia investors, Defendant failed to disclose to the Virginia investors exactly what price per share the Virginia investors were paying for the UII common stock they purchased;

(19) That in making the offers and sales to the Virginia investors, Defendant failed to disclose that the price per share the Virginia investors paid for the UII common stock was arbitrarily determined and not related to assets or book value of UII;

(20) That in making the offers and sales to the Virginia investors, Defendant failed to disclose exactly what amount of money was to be raised in the offering;

(21) That in making the offers and sales to the Virginia investors, Defendant failed to disclose exactly how many shares of UII common stock were owned by each principal of UII; exactly how many shares would be owned by these principals after the offering was completed; and, that after the offering, Defendant and the other UII principals would own a majority of the outstanding UII stock and, thus, would control the company;

(22) That in making the offers and sales to the Virginia investors, Defendant failed to disclose exactly what price per share Defendant and the other UII principals would pay for their UII common stock and what form that payment would take;

(23) That in making the offers and sales to the Virginia investors, Defendant failed to disclose that the price per share the Virginia investors would pay was significantly greater than the price per share to be paid by Defendant and the other UII principals, thus causing the value of the Virginia investors' shares to be significantly diluted from the original purchase price paid by the Virginia investors;

(24) That in making the offers and sales to the Virginia investors, Defendant failed to disclose that UII did not expect to pay any dividends to shareholders in the foreseeable future;

(25) That in making the offers and sales to the Virginia investors, Defendant failed to disclose how the gross proceeds from the offering would be utilized and in what amounts;

(26) That in making the offers and sales to the Virginia investors, Defendant failed to disclose what portion of the gross proceeds would be used to compensate Defendant and the other UII principals in the form of sales commissions connected with the offering;

(27) That in making the offers and sales to the Virginia investors, Defendant failed to disclose what portion of the offering proceeds would be used to pay legal service expenses connected with the offering;

(28) That in making these offers and sales to the Virginia investors, Defendant failed to disclose what portion of the offering proceeds would be used for working capital of UII;

(29) That in making the offers and sales to the Virginia investors, Defendant failed to disclose that UII might not be able to raise enough money in the offering to sustain it until it became profitable;

(30) That in making the offers and sales to the Virginia investors, Defendant failed to disclose that William S. Gotchey, President of FAFC, would have access to and could withdraw a portion of their investment money prior to FAFC purchasing UII securities on their behalf;

(31) That in making these offers and sales to the Virginia investors, Defendant failed to disclose that UII had entered into an agreement whereby FAFC and William S. Gotchey, President of FAFC, would receive for services rendered 5% of the shares of UII outstanding after completion of the offering;

(32) That in making the offers and sales to the Virginia investors, Defendant failed to disclose that a portion of their funds would be loaned to Defendant in order for him to purchase shares of UII common stock in his own name and for his own benefit;

(33) That in making the offers and sales to the Virginia investors, Defendant failed to disclose that UII was dependent on certain members of the UII management remaining employed and devoting their full time to the company;

(34) That in making the offers and sales to the Virginia investors, Defendant failed to disclose the relevant management experience and work history of each of the UII principals;

(35) That in making the offers and sales to the Virginia investors, Defendant failed to disclose the anticipated yearly compensation of each of the UII principals after completion of the offering;

(36) That in making the offers and sales to the Virginia investors, Defendant failed to disclose the conditions and terms of the employment contracts of all of the UII principals;

(37) That in making the offers and sales to the Virginia investors, Defendant failed to disclose that the profitability and success of UII would be affected by general economic conditions and various events in the securities markets;

(38) That in making the offers and sales to the Virginia investors, Defendant failed to disclose the extent of the competition to UII in the broker-dealer industry; and,

(39) That the above actions constitute violations of Section 13.1-502 of the Virginia Securities Act.

Defendant neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this order.

Defendant has represented to the Division that neither he nor United Investors International, Inc. has the necessary funds to make an offer of rescission. As an offer to settle all matters arising from the allegations made against him, Defendant has proposed and agreed to comply with the following terms and undertakings:

(1) Within fourteen (14) days of the date of this order, Defendant agrees to cause UII to submit to the Division a request to withdraw its broker-dealer registration application file under the Virginia Securities Act; that should UII's request for withdrawal be accepted, UII and any other firm that Defendant controls by reason of ownership or position will not reapply or apply for broker-dealer registration under the Virginia Securities Act for a period of twenty-four (24) months from the date of this order; provided, however, that if within the twenty-four month period Defendant makes or causes to be made a written offer to rescind the sale of shares of UII which he sold to Virginia investors and makes restitution to the investors who accept the offer, UII may then resubmit to the Division an application for broker-dealer registration in the Commonwealth.

(2) Defendant will send to each Virginia investor a written disclosure document which will include, but will not be limited to, a copy of this order, information about UII and the securities of UII purchased by the Virginia investors, as well as that information required by Virginia Code Section 13.1-510(b)(1)-(13), so far as applicable. Financial data to be included in the disclosure document shall include UII's audited financial statements for the period ended May 31, 1989, along with updated unaudited financial statements dated as of a date not more than sixty days prior to the date of mailing of the disclosure document.

(3) Evidence of compliance with the provisions of paragraph (2), above, will be filed with the Division by Defendant within seven (7) days from the date the written disclosure documents are sent; such evidence will be in the form of an affidavit, executed by Defendant, which will contain the following information: (i) the names and addresses of each Virginia investor to whom Defendant sent a written disclosure document, and (ii) the date on which each document was sent.

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 aforesaid terms and undertakings of the settlement;

(3) That the Commission shall retain jurisdiction in this matter for all purposes.

CASE NO. SEC890100
SEPTEMBER 7, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
DANIEL TAYLOR COMPANY,
Defendant

ORDER OF COMPROMISE AND SETTLEMENT

On August 1, 1989, the State Corporation Commission of Virginia ("Commission") issued a Rule to Show Cause ("Rule") estalishing this proceeding and scheduling a hearing date for this matter before the Commission's Hearing Examiner on September 28, 1989. Daniel Taylor Company, the Defendant, neither filed a pleading in response to the Rule nor appeared at the September 28, 1989 hearing and, therefore, was in default. On October 25, 1989, the Commission, adopting the findings and recommendations of the Hearing Examiner, found the Defendant to be in violation of Virginia Securities Act Rule 307C and penalized the Defendant in the amount of $5,000. On November 6, 1989, to the Commission received a letter from the Defendant stating that the Defendant had no actual notice of the September 28, 1989 hearing. The Defendant's letter was treated as a petition for rehearing. By order dated November 15, 1989, the Commission vacated its Final Order and Judgment entered herein on October 25, 1989, granted the Defendant's petition for a rehearing, and scheduled a hearing for January 23, 1990. This hearing date has been continued from time to time on motions of both the Defendant and Commission Staff.

IT NOW APPEARING to the Commission that Daniel Taylor Company, without admitting or denying the allegations of the Division of Securities and Retail Franchising ("Division") contained in the Rule, has made an offer to compromise and settle all matters arising therein by agreeing to the substance and entry of this Order of Compromise and Settlement ("Order") and by representing and undertaking that Daniel Taylor Company will pay a penalty to the Commonwealth of Virginia in the amount of $1,000; and

IT FURTHER APPEARING to the Commission that Daniel Taylor Company admits the jurisdiction of the Commission as to the party and subject matter; and the Commission being fully advised in the premises and finding sufficient basis herein for the entry of this Order, is of the opinion and finds that the offer of compromise and settlement should be accepted; accordingly, it is

ORDERED:

(1) That pursuant to the authority granted the Commission by Virginia Code § 12.1-15, the offer of compromise and settlement made by Daniel Taylor Company be, and it hereby is, accepted;

(2) That pursuant to Virginia Code § 13.1-521, Daniel Taylor Company be, and it hereby is, penalized in the amount of $1,000;

(3) That the sum of $1,000 tendered by Daniel Taylor Company contemporaneously with the entry of this Order is accepted; and

(4) That as there appears nothing further to be done in this proceeding, this case shall be dismissed from the docket and the papers placed in the file for ended causes.

CASE NO. SEC890143
JUNE 21, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ALVIN W. ANDERSON,
Defendant

ORDER VACATING PREVIOUS ORDER

IT APPEARING that this matter was initiated on August 23, 1989, by a Rule to Show Cause ("Rule") naming Alvin W. Anderson as the Defendant, that the Rule was served upon the Secretary of the Commonwealth as statutory agent for Anderson pursuant to Virginia Code § 8.01-329, and that on November 3, 1989 a Final Order and Judgement was entered by default against Anderson; and

IT FURTHER APPEARING that on June 1, 1990, Anderson, by counsel, moved the Commission to, among other things, grant such relief as it deems the Defendant may be entitled to receive; and

IT FURTHER APPEARING that one of the conditions precedent for obtaining personal jurisdiction under Virginia Code § 8.01-329 is the filing of an affidavit with the court stating the last known address of the person to be served, that the affidavit submitted in this matter by the Division of Securities and Retail Franchising failed to state the Division's last known address of Anderson, and that Anderson did not become aware of this matter until February 1990.

THE COMMISSION, upon consideration of the Defendant's motion and the applicable law, is of the opinion and finds that personal jurisdiction over the Defendant was never obtained in this matter because the affidavit required by Virginia Code § 8.01-329A1 was insufficient; accordingly, it is

ORDERED:

(1) That the Final Order and Judgement entered in this matter against Anderson on November 3, 1989 be, and it hereby is, vacated for lack of personal jurisdiction; and

(2) That this matter be continued generally for hearing on the merits.

CASE NO. SEC890180
DECEMBER 6, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CLARENCE H. HOLDING, INDIVIDUALLY, AND
d/b/a CLARENCE H. HOLDING AND COMPANY,
Defendant

Opinion, Morrison, Commissioner

On September 8, 1989, the Division of Securities and Retail Franchising ("Division") filed a motion for the issuance of a temporary injunction, supported by an affidavit, alleging that Clarence Houston Holding, individually, and doing business as Clarence H. Holding and Company ("Holding"), was transacting business in the Commonwealth as an unregistered broker-dealer and agent and was misrepresenting material facts in the offering and selling of securities. On September 19, 1989, the Commission issued an order granting the motion and temporarily enjoining Holding from violating the broker-dealer and agent registration provisions and the anti-fraud provisions of the Virginia Securities Act, Va. Code §§ 13.1-501 through 13.1-527.3 (1989 and Cum. Supp. 1990).

On November 22, 1989, the Division filed a motion to extend the temporary injunction against Holding, which motion was granted by order dated December 15, 1989. Between September 20, 1989 and January 17, 1990, Holding filed three motions to dismiss and/or vacate the temporary injunction entered against him, and a petition for rehearing, all of which were denied.

By order dated April 17, 1990, the Commission directed Holding to show cause why the temporary injunction should not be made permanent and why he should not be penalized for having violated the broker-dealer and agent registration provisions of Va. Code § 13.1-504 as well as the anti-fraud provisions of Va. Code § 13.1-502. The order also continued in effect the outstanding temporary injunction.

On May 21, 1990, Holding submitted a motion requesting an extension of time for filing a responsive pleading and a continuance of the hearing date, which relief was granted by order of May 22, 1990. Holding filed on July 2, 1990, a second motion requesting an extension of time for filing his responsive pleading and a continuance of the July 31, 1990 hearing date. By order dated July 12, 1990, the Commission granted Holding's request in regard to his responsive pleading, but denied his request for a continuance of the hearing. On July 16, 1990, Holding filed his responsive pleading.

At the July 31, 1990, hearing, Holding, appearing pro se, moved to dismiss the Rule to Show Cause on several grounds. First, he contended that the Rule should be dismissed because the allegations contained therein were false. The Commission denied this ground, since it depended on the evidence which had not yet been presented in the case. Mr. Holding also sought dismissal because the date "December 15, 1990," found in the second sentence of the first paragraph of the Rule, should have been "December 15, 1989." The Commission, finding that the error was of a clerical nature, summarily amended the Rule to reflect the correct date of December 15, 1989, and denied the requested relief. Finally, Holding claimed that the duration of the temporary injunction violated his 5th, 6th, 8th and 14th amendment rights. The Commission, noting that Holding had asked for two continuances of the hearing date in this matter, and also stating that no grounds in support of these constitutional objections had been offered, denied the motion.

Holding admitted in his responsive pleading, as well as in open court, that between April, 1988 and June, 1989, he had offered and sold securities in this Commonwealth to fifteen individuals in fourteen separate transactions. Holding also admitted in his responsive pleading that during this time period he was not registered under the Virginia Securities Act as a broker-dealer or an agent.[1] Furthermore, Mr. Holding offered no evidence or argument to show that he was excluded or exempted, for any reason, from the broker-dealer or agent registration requirements of the Act. Thus, it is undisputed that Holding violated Va. Code § 13.1-504A.

The record of the hearing also disclosed that, in December, 1988, Holding offered and sold in this Commonwealth 2,078.138 shares of the Putnam Fund for Growth and Income (a mutual fund whose shares were registered under the Virginia Act at the time of the offer and sale) to William G. Turpin ("Turpin") at a cost of $25,000.[2] In describing the proposed investment to Turpin, prior to purchase, Holding told Turpin that his investment of $25,000 would provide a monthly payment of $450. Turpin testified that he thought that this monthly payment would come solely from the dividends or interest generated by his investment. To the contrary, Holding failed to inform Turpin that, in actuality, shares of his original investment would have to be liquidated each month to fund the $450 payment. That is, a part of each monthly payment would be merely a return of principal, rather than investment income.

Holding's failure to advise Turpin of this fact constituted a material omission for purposes of Va. Code § 13.1-502. In a case involving similar provisions of the federal securities regulations, the U. S. Supreme Court has found materiality to exist where "there [is] a substantial likelihood that the disclosure of the omitted fact would have been viewed by the reasonable investor as having significantly altered the 'total mix' of information made available." Basic Incorporated v. Levinson, 485 U.S. 224, 231-232, 99 L.Ed. 2d 194, 108 S.Ct. 978 (1988), quoting TSC Industries, Inc. v. Northway, Inc. 426 U.S. 438,449, 48 L.Ed. 2d 757, 96 S.Ct. 2126 (1976). Holding's failure to fully disclose this material fact during the offer and sale of the Fund shares was a violation of the anti-fraud provisions of the Virginia Securities Act.

For the reasons stated above, we find that Holding violated the anti-fraud provisions of Va. Code § 13.1-502, as well as the broker-dealer and agent registration provisions of Va. Code § 13.1-504. We thus imposed the sanctions for these violations set forth in our Final Order and Judgment of August 9, 1990.

[1] In light of the definitions in Va. Code § 13.1-501 (Cum. Supp. 1990) of "agent" and "broker-dealer," it is apparent that an individual operating a securities firm as a sole proprietorship is required to register both as a broker-dealer and as an agent. The Commission has applied this principle for many years in administering the provisions of the Securities Act.

[2] It appears from examining Exhibits WT-18 and WT-19 that Exhibit WT-18, a confirmation statement from Holding to Turpin, contains two typographical errors. The trade and settlement dates should be December 1988 instead of December 1989. Otherwise, the confirmation statement is inconsistent with WT-19, Putnam's account statement for William G. Turpin, which shows a purchase date in January 1989. Other evidence also indicates that the dates on the confirmation statement are erroneous.

Commissioner Shannon concurs with this opinion. Commissioner Harwood did not participate in the consideration of this matter.

CASE NO. SEC890215
SEPTEMBER 7, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
V.
JAMES CHRISTOPHER CASTLE,
Defendant

ORDER ACCEPTING OFFER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising ("Division") has instituted an investigation of Defendant, James Christopher Castle, pursuant to Section 13.1-518 of the Code of Virginia.

As a result of its investigation, the Division alleges that Defendant, in violation of Section 13.1-507 of the Code of Virginia, offered and sold in this Commonwealth securities to Virginia investors without the securities being registered under the Virginia Securities Act or the securities or transactions being exempted from registration by the Act. Defendant neither admits nor denies these 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 him, Defendant has offered, and agrees to comply with, the following terms and undertakings:

(1) Within twenty-one (21) days of the date of this order, Defendant will make or cause to be made written offers to rescind the sales of units, warrants and common shares of Printron, Inc., made by Defendant to the Virginia investors; that such offers will provide for the refund of the consideration paid by the Virginia investors for these 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 Virginia investors no longer own the securities; that the Virginia investors will have thirty (30) days from the date of receipt of the offers within which to either accept or reject the offers; and, that Defendant, if his offers are accepted, will make restitution within ten (10) days from the date the Virginia investors' acceptances of the offers are received by Defendant;

(2) Evidence of compliance with the provisions of paragraph (1), above, will be filed with the Division of Securities and Retail Franchising by Defendant within seven (7) days from the date payment is remitted to the Virginia investors or from the date the offers are rejected or lapse, whichever occurs first; that such evidence will be in the form of an affidavit, executed by Defendant, which will contain the following information: (i) the date on which the Virginia investors received the offers of rescission; (ii) the date and nature of the Virginia investors' responses to the offers; (iii) if applicable, the date on which payment was remitted to the Virginia investors; and (iv) if applicable, the amount of payment remitted to the Virginia investors;

(3) Defendant shall not be registered with any broker- dealer registered under the Virginia Securities Act unless such broker-dealer submits to the Division, by affidavit, prior agreement to the following special supervisory procedures:

(a) For a period of twelve (12) months from the date of this order, a member of the compliance department will, (i) review all Defendant's customers' orders prior to execution of the orders to ensure compliance with Virginia Code Section 13.1-507; (ii) each month randomly select and contact five percent (5%) of Defendant's customers and determine if they have any complaints regarding Defendant's handling of their accounts; and, (iii) maintain a record of the name of each client contacted, the date on which each client was contacted, and the means by which each client was contacted.

(b) For a period of twelve (12) months from the date of this order, immediately notify the Division of any complaints received that may arise with respect to Defendant's customer accounts.

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 aforesaid terms and undertakings of the settlement; and

(3) That the Commission shall retain jurisdiction in this matter for all purposes.

CASE NO. SEC890216
SEPTEMBER 12, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
V.
DONALD GREEN,
Defendant

ORDER ACCEPTING OFFER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising ("Division") has instituted an investigation of Defendant, Donald Green, pursuant to Section 13.1-518 of the Code of Virginia.

As a result of its investigation, the Division alleges that Defendant, in violation of Section 13.1-507 of the Virginia Securities Act, offered and sold in this Commonwealth securities to Virginia investors without the securities being registered under the Virginia Securities Act or the securities or transactions being exempted from registration by the Act. Defendant denies these 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 him, Defendant has offered, and agrees to comply with, the following terms and undertakings:

(1) Within twenty-one (21) days of the date of this order, Defendant will make or cause to be made written offers to rescind the sales of units and common shares of Printron, Inc. made by Defendant to the Virginia investors; that such offers will provide for the refund of the consideration paid by the Virginia investors for these 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 Virginia investors no longer own the securities; that the Virginia investors will have thirty (30) days from the date of receipt of the offers within which to either accept or reject the offers; and, that Defendant, if his offers are accepted, will make restitution within ten (10) days from the date the Virginia investors' acceptances of the offers are received by Defendant;

(2) Evidence of compliance with the provisions of paragraph (1), above, will be filed with the Division by Defendant within seven (7) days from the date payment is remitted to the Virginia investors or from the date the offers are rejected or lapse, whichever occurs first; that such evidence will be in the form of an affidavit, executed by Defendant, which will contain the following information: (i) the date on which the Virginia investors received the offers of rescission; (ii) the date and nature of the Virginia investors' responses to the offers; (iii) if applicable, the date on which payment was remitted to the Virginia investors; and (iv) if applicable, the amount of payment remitted to the Virginia investors;

(3) Defendant will be subject to a period of "special supervisicn" to last twelve (12) months from the date of this order; during this period, a member of the compliance department of the broker-dealer with which Defendant is associated will review all Defendant's customers' orders prior to execution of the orders to ensure compliance with Virginia Code Section 13.1-507; and, each month during the period of special supervision a member of the broker-dealer's compliance department will randomly select and contact five percent (5%) of Defendant's Virginia resident customers and determine if they have any complaints regarding Defendant's handling of the accounts, and will immediately forward a copy of any such complaint to the Division; and,

(4) Within ten (10) days of the date of this order, Defendant will cause to be submitted to the Division an affidavit executed by an officer of the broker-dealer with which Defendant is associated stating the broker- dealer's agreement to administer the provisions of the special supervision over the designated twelve (12) month period; if an affidavit is not submitted by the broker-dealer, Defendant will withdraw his agent registration in this Commonwealth within fifteen (15) days of the date of this order, and will not reapply for registration in any capacity under the Virginia Securities Act for a period of one (1) year from the date of this order.

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 aforesaid terms and undertakings of the settlement; and

(3) That the Commission shall retain jurisdiction in this matter for all purposes.

CASE NO. SEC890218
SEPTEMBER 12, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
V.
DANIEL ROBERT WEXLER,
Defendant

ORDER ACCEPTING SETTLEMENT OFFER

The Commission's Division of Securities and Retail Franchising ("Division") has instituted an investigation of Defendant, Daniel Robert Wexler, pursuant to Section 13.1-518 of the Code of Virginia.

As a result of its investigation, the Division alleges that Defendant, in violation of Section 13.1-507 of the Virginia Securities Act, has offered and sold in this Commonwealth securities to a Virginia investor without the securities being registered under the Virginia Securities Act or the securities or transactions being exempted by the Act. Defendant denies these 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 him, Defendant has offered, and agrees to comply with, the following terms and undertakings:

(1) Within twenty-one (21) days of the date of this order, Defendant will make, or cause to be made, a written offer torescind the sales of shares, units and B warrants of Printron, Inc., made to the Virginia investor by Defendant; that such offerwill provide for the refund of the consideration paid by the Virginia investor for these 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 Virginia 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 his offer is accepted, will make restitution within ten (10) days from the date the Virginia investor's acceptance of the offer is received by Defendant; this offer will constitute the entire and only offer made by Defendant to the Virginia investor concerning rescission of the sales and restitution with respect to the shares, units, and B warrants of Printron, Inc.; Defendant will make no offer to the Virginia investor concerning rescission of the sales and restitution of the shares, units and B warrants of Printron, Inc. except an offer under the terms and conditions set forth in this paragraph (1).

(2) Evidence of compliance with the provisions of paragraph (1), above, will be filed with the Division by Defendant within seven (7) days from the date payment is remitted to the Virginia 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 Defendant, which will contain the following information: (i) the date on which the Virginia investor received the offer of rescission; (ii) the date and nature of the Virginia investor's response to the offer; (iii) if applicable, the date on which payment was remitted to the Virginia investor; and (iv) if applicable, the amount of payment remitted to the Virginia investor;

(3) Defendant will include with the offer of rescission a copy of this order, and will make no comments or representations, either directly or indirectly, to the Virginia investor as to the reason for the offer other than those set forth in this order;

(4) Defendant will be subject to a period of "special supervision" to last twelve (12) months from the date of this order; during this period, a member of the compliance department of the broker-dealer with which Defendant is associated will review all Defendant's customers' orders prior to execution of the orders to ensure compliance with Virginia Code Section 13.1-507; and, each month during the period of special supervision a member of the broker-dealer's compliance department will randomly select and contact five percent (5%) of Defendant's customers and determine if they have any complaints regarding Defendant's handling of the accounts, and will immediately forward a copy of any such complaint to the Division; and,

(5) Within ten (10) days of the date of this order, Defendant will cause to be submitted to the Division an affidavit executed by an officer of the broker-dealer with which Defendant is associated stating the broker-dealer's agreement to administer the provisions of the special supervision over the designated twelve (12) month period; if an affidavit is not submitted by the broker-dealer, Defendant will withdraw his agent registration in this Commonwealth within fifteen (15) days of the date of this order, and will not reapply for registration in any capacity under the Virginia Securities Act for a period of one (1) year from the date of this order.

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 aforesaid terms and undertakings of the settlement; and

(3) That the Commission retain jurisdiction in this matter for all purposes.

CASE NO. SEC890225
SEPTEMBER 6, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
V.
JANET GIBSON MAYS,
Defendant

SETTLEMENT ORDER

The Commission's Division of Securities and Retail Franchising ("Division") has instituted an investigation of Defendant, Janet Gibson Mays, pursuant to Section 13.1-518 of the Code of Virginia.

As a result of its investigation, the Division alleges that Defendant, in violation of Section 13.1-507 of the Virginia Securities Act, has offered and sold in this Commonwealth securities to Virginia investors without the securities being registered under the Virginia Securities Act or the securities or transactions being exempted by the Act. Defendant neither admits nor denies these 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 her, Defendant has offered, and agrees to comply with, the following terms and undertakings:

(1) Defendant will be enjoined (a) from being registered in any capacity under the Virginia Securities Act; (b) from transacting business as a securities broker-dealer or agent in this Commonwealth; and (c) from engaging in any transaction or the offer or sale of any security exempted from registration under the Virginia Securities Act.

(2) Defendant will not receive any commissions, fees, remuneration, or other compensation in connection with her participation in the liquidation transactions of any of the securities she sold to the Virginia investors.

(3) Defendant, having represented that she is financially unable to make restitution to the Virginia investors, will submit an affidavit prior to entry of this order confirming this representation; such affidavit will include a personal financial statement in balance sheet form, prepared within the last sixty (60) days, listing Defendant's assets, liabilities and net worth; and, such affidavit will become a part of this order.

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 aforesaid terms and undertakings of the settlement;

(3) That Defendant is enjoined from being registered or from engaging in the activities as described above;

(4) That Defendant is enjoined from any further conduct which constitutes a violation of Virginia Code Section 13.1-507; and

(5) That the affidavit described above and attached hereto be made a part of this order.

NOTE: A copy of the personal financial statement of Defendant, referred to herein, is on file and may be examined at the State Corporation Commission, Document Control Center, Floor B-1, Jefferson Building, Richmond, Virginia.

CASE NO. SEC890228
AUGUST 23, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
V.
RAYMOND E. SHIELDS, SR.,
Defendant

SETTLEMENT ORDER

The Commission's Division of Securities and Retail Franchising ("Division") has instituted an investigation of Defendant, Raymond E. Shields, Sr., pursuant to Section 13.1-518 of the Code of Virginia.

As a result of its investigation, the Division alleges that Defendant, in violation of Section 13.1-504 and Section 13.1-507 of the Virginia Securities Act has:

(1) Transacted business in this Commonwealth as an agent without being so registered under the Virginia Securities Act.

(2) Offered and sold in this Commonwealth securities to Virginia investors without the securities being registered under the Virginia Securities Act or the securities or transactions being exempted by the Act.

Defendant denies these 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 him, Defendant has offered, and agrees to comply with, the following terms and undertakings:

(1) Defendant will be permanently enjoined (a) from being registered in any capacity under the Virginia Securities Act; (b) from transacting business as a securities broker-dealer or agent in this Commonwealth; and (c) from engaging in any transaction or the offer or sale of any security exempted from registration under the Virginia Securities Act.

(2) Defendant will not receive any commission, fees, remuneration, or other compensation in connection with his participation in the liquidation of any of the securities he sold to the Virginia investors.

(3) Defendant, having represented that he is financially unable to make restitution to the Virginia investors, will submit an affidavit prior to entry of this order confirming this representation; such affidavit will include a personal financial statement in balance sheet form, prepared within the last sixty (60) days, listing Defendant's assets, liabilities and net worth; and, such affidavit will become a part of this order.

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 aforesaid terms and undertakings of the settlement;

(3) That Defendant is permanently enjoined from being registered or from engaging in the activities as described above;

(4) That Defendant is enjoined from any further conduct which constitutes a violation of Virginia Code Sections 13.1-504 or 13.1-507; and

(5) That the affidavit described above and attached hereto be made a part of this order.

CASE NO. SEC890233
JANUARY 29, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ROBERT JOHN CHAPMAN,
Defendant

FINAL ORDER AND JUDGMENT

THIS MATTER, instituted by Rule to Show Cause entered on November 22, 1989, was scheduled for hearing and was heard on January 25, 1990. At the hearing, the Division of Securities and Retail Franchising was represented by its counsel. Robert John Chapman ("Chapman" or "Defendant") neither filed a pleading in response to the Rule to Show Cause nor appeared in person or by counsel at the hearing.

The Commission, based upon the evidence herein, is of the opinion and finds:

(1) That an attested copy of the aforesaid Rule To Show Cause was duly served upon the Secretary of the Commonwealth as statutory agent for the Defendant pursuant to the provisions of Virginia Code § 8.01-329;

(2) That Chapman, having failed to file a responsive pleading and having failed to appear at the hearing, is in default;

(3) That Chapman unlawfully transacted business in Virginia as an agent of First Wilshire Securities Management, Inc. and, subsequently, of Investors International Securities, Inc. and unlawfully offered and sold securities in Virginia, as more fully set forth below;

(4) That between September 1977 and January 1987, Chapman, as an agent of First Wilshire (from September 1977 to April 1984) and then of Investors International (from April 1984 to January 1987), offered for sale and sold in Virginia numerous securities in at least 21 separate transactions;

(5) That the securities offered and sold in Virginia include shares of stock issued by American corporations and American Depository Receipts representing securities issued by foreign corporations;

(6) That the aforesaid securities are not, and never have been, registered pursuant to the securities registration provisions of the Virginia Securities Act;

(7) That Chapman is not, and never has been, registered as an agent pursuant to the agent registration provisions of the Virginia Securities Act.

(8) That the aforesaid activities constitute 21 separate violations of Virginia Code § 13.1-504A and 21 separate violations of Virginia Code § 13.1-507; and

(9) That Chapman should be enjoined from committing such acts in the future and should be penalized on account of having committed such acts; it is, therefore,

ORDERED:

(1) That pursuant to Virginia Code § 13.1-519, Robert John Chapman be, and he hereby is, permanently enjoined from transacting business in this Commonwealth as an unregistered agent in violation of Virginia Code § 13.1-504A and from directly or indirectly selling any security in violation of Virginia Code § 13.1-507;

(2) That pursuant to Virginia Code § 13.1-521, Robert John Chapman be, and he hereby is, penalized in the amount of $105,000 and that the Commonwealth recover of and from the Defendant said amount; and

(3) That as there appears nothing further to be done in this proceeding, this case is dismissed from the docket and the papers be placed in the file for ended causes.

CASE NO. SEC890236
JUNE 4, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
OSBORNE, STERN & CO., INC.,
Defendant

FINAL ORDER AND JUDGMENT

THIS MATTER, instituted by Rule to Show Cause entered on December 5, 1989, was scheduled for hearing and was heard on May 31, 1990. At the hearing, the Division of Securities and Retail Franchising was represented by its counsel. The Defendant, Osborne, Stern & Co., Inc. ("Osborne"), neither filed a pleading in response to the Rule to Show Cause nor appeared by counsel at the hearing.

The Commission, based upon the evidence herein, is of the opinion and finds:

(1) That an attested copy of the aforesaid Rule To Show Cause was duly served upon the Secretary of the Commonwealth as statutory agent for the Defendant pursuant to the provisions of Virginia Code § 8.01-329;

(2) That Osborne, having failed to file a responsive pleading and having failed to appear at the hearing, is in default;

(3) That Osborne is a broker-dealer whose address is 5777 West Century Boulevard, Los Angeles, California 90045;

(4) That John Ramon Munoz, Jr. is an agent, as that term is defined in the Virginia Securities Act (Va. Code §§ 13.1-501 - 13.1-527.3 (1989)), of Osborne;

(5) That in January, 1989, John Ramon Munoz, Jr., as an agent of Osborne, offered and sold in this Commonwealth 300 shares of Consolidated Energy Systems, Inc. ("C.E.S.") to a Virginia resident;

(6) That the shares of C.E.S. are securities for purposes of the Virginia Securities Act;

(7) That the shares of C.E.S. are not and never have been registered under the securities registration provisions of the Virginia Securities Act;

(8) That Osborne is not and never has been registered as a broker-dealer under the broker-dealer registration provisions of the Virginia Securities Act;

(9) That John Ramon Munoz, Jr. is not and never has been registered as an agent under the agent registration provisions of the Virginia Securities Act;

(10) That the aforesaid activities constitute unlawful acts as set forth in Virginia Code §§ 13.1-504A, 13.1-504B, and 13.1-507; and

(11) That Osborne should be enjoined from committing such acts in the future and should be penalized on account of having committed such acts; it is, therefore,

ORDERED:

(1) That pursuant to Virginia Code § 13.1-519, Osborne be, and it hereby is, permanently enjoined from transacting business as an unregistered broker-dealer in violation of Virginia Code § 13.1-504A, from employing unregistered agents in violation of Virginia Code § 13.1-504B, and from directly or indirectly selling any security in violation of Virginia Code § 13.1-507;

(2) That pursuant to Virginia Code § 13.1-521, Osborne be, and it hereby is, penalized in the amount of $15,000 and that the Commonwealth recover of and from the Defendant said amount; and

(3) That as there appears nothing further to be done in this proceeding, this case be dismissed from the docket and the papers be placed in the file for ended causes.

CASE NO. SEC890237
JUNE 4, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
JOHN RAMON MUNOZ, JR.,
Defendant

FINAL ORDER AND JUDGMENT

THIS MATTER, instituted by Rule to Show Cause entered on December 5, 1989, was scheduled for hearing and was heard on May 31, 1990. At the hearing, the Division of Securities and Retail Franchising was represented by its counsel. The Defendant, John Ramon Munoz, Jr., neither filed a pleading in response to the Rule to Show Cause nor appeared in person or by counsel at the hearing.

The Commission, based upon the evidence herein, is of the opinion and finds:

(1) That an attested copy of the aforesaid Rule To Show Cause was duly served upon the Secretary of the Commonwealth as statutory agent for the Defendant pursuant to the provisions of Virginia Code § 8.01-329;

(2) That John Ramon Munoz, Jr., having failed to file a responsive pleading and having failed to appear at the hearing, is in default;

(3) That John Ramon Munoz, Jr. is an agent, as that term is defined in the Virginia Securities Act (Va. Code §§ 13.1-501 - 13.1-527.3 (1989)), of Osborne, Stern & Co., Inc. ("Osborne");

(4) That Osborne is a broker-dealer whose address is 5777 West Century Boulevard, Los Angeles, California 90045;

(5) That in January, 1989, John Ramon Munoz, Jr., as an agent of Osborne, offered and sold in this Commonwealth 300 shares of Consolidated Energy Systems, Inc. ("C.E.S.") to a Virginia resident;

(6) That the shares of C.E.S. are securities for purposes of the Virginia Securities Act;

(7) That the shares of C.E.S. are not and never have been registered under the securities registration provisions of the Virginia Securities Act;

(8) That John Ramon Munoz, Jr. is not and never has been registered as an agent under the agent registration provisions of the Virginia Securities Act;

(9) That the aforesaid activities constitute unlawful acts as set forth in Virginia Code §§ 13.1-504A and 13.1-507; and

(10) That John Ramon Munoz, Jr. should be enjoined from committing such acts in the future and should be penalized on account of having committed such acts; it is, therefore,

ORDERED:

(1) That pursuant to Virginia Code § 13.1-519, John Ramon Munoz, Jr. be, and he hereby is, permanently enjoined from transacting business in this Commonwealth as an unregistered agent in violation of Virginia Code § 13.1-504A and from directly or indirectly selling any security in violation of Virginia Code § 13.1-507;

(2) That pursuant to Virginia Code § 13.1-521, John Ramon Munoz, Jr., be, and he hereby is, penalized in the amount of $10,000 and that the Commonwealth recover of and from the Defendant said amount; and

(3) That as there appears nothing further to be done in this proceeding, this case is dismissed from the docket and the papers be placed in the file for ended causes.

CASE NO. SEC890241
JANUARY 4, 1990

APPLICATION OF
HARBOR BAPTIST CHURCH

For an Order of Exemption under Section 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 22, 1989, with exhibits attached thereto, of Harbor Baptist Church ("Harbor"), 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 the agent registration requirements of the Securities Act be waived.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: Harbor operates not for private profit but exclusively for religious, educational, benevolent or charitable purposes; Harbor intends to offer and sell First Deed of Trust Bonds in an approximate aggregate amount of $400,000 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 Harbor who will not be compensated for their efforts; and said securities also may be offered and sold by broker-dealers so registered under the Securities Act.

THE COMMISSION, based on the facts asserted by Harbor in the written application and exhibits, is of the opinion and does hereby ADJUDGE AND ORDER that the offer and sale of the securities described above be exempt from the securities registration requirements of the Securities Act pursuant to the provisions of Code Section 13.1-514.1.B and that the agent registration requirements of the Securities Act be waived for the members of the bond sales committee.

CASE NO. SEC900007
FEBRUARY 2, 1990

APPLICATION OF
CHILDREN'S HOSPITAL MEDICAL CENTER
AND
CONVALESCENT HOSPITAL FOR CHILDREN (A NOT - FOR - PROFIT OHIO CORPORATION)

For a Certificate 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 January 12, 1990, requesting a determination that certain notes to be issued as part of a bond offering by the County of Hamilton, Ohio be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) pursuant to Va. Code § 13.1-514.1.B.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: Children's Hospital Medical Center and Convalescent Hospital for Children ("Obligors") are not-for-profit corporations organized under the laws of the State of Ohio for charitable purposes; the Obligors intend to issue as part of the County of Hamilton, Ohio Hospital Facilities Revenue Bonds, Series 1990 (Children's Hospital Medical Center) issue, securities, to wit: Series 1990 Notes issued pursuant to a Bond Indenture dated as of January 1, 1990 providing for the payment of the Series 1990 Bonds.

THE COMMISSION, based upon the representations made in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that the offer and sale of the securities described above are exempted from the securities registration requirements of the Securities Act pursuant to the provisions of Va. Code § 13.1-514.1.B and shall be made in Virginia only by broker-dealers which are so registered in this Commonwealth.

CASE NO. SEC900008
NOVEMBER 6, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ANDERSON & STRUDWICK, INC.,
Defendant

ORDER ACCEPTING OFFER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising ("Division") has instituted an investigation of the Defendant, Anderson & Strudwick, Inc. ("A&S" or "Defendant"), pursuant to Va. Code Section 13.1-518. As a result of its investigation, the Division alleges:

(1) That Anderson & Strudwick, Inc. is a Virginia corporation registered as a broker-dealer under the Securities Act of Virginia (Virginia Code Sections 13.1-501 through 13.1-527.3 (1989 and Cum. Supp. 1990)) and has been continuously so registered since October 1, 1974;

(2) That Jukka Pekka Vihko ("Vihko") was employed as an agent by A&S and was so registered under the Securities Act from September 1983 through June 1985;

(3) That while employed by A&S, Vihko recommended to one of his A&S customers the purchase of units of Equitec Real Estate Investors Fund XIV and units of Centennial Development Fund IV without reasonable grounds to believe that the recommendations were suitable;

(4) That while Vihko was employed by A&S, seven A&S checks, totaling approximately $36,700 and made payable to four of Vihko's A&S customers, were deposited into a bank account over which Vihko had control;

(5) That the A&S customers' signatures appearing on the back of the checks referred to in paragraph (4), above, are forgeries;

(6) That the A&S customers referred to in paragraph (4), above, did not give said checks to Vihko or authorize their deposit into the aforesaid bank account;

(7) That in June 1986, subsequent to the termination of Vihko's employment with A&S, A&S implemented its initial written procedures covering the hand delivery of A&S checks to clients by A&S agents;

(8) That Amen Salim Kahwajy, Jr. ("Kahwajy") was employed as an agent by A&S and was so registered under the Securities Act from January 1985 through June 1989;

(9) That between January 1988 and May 1989, four A&S checks totaling approximately $27,000 were prepared for either hand delivery to or pick-up by three of Kahwajy's A&S customers;

(10) That the A&S customers referred to in paragraph (9), above, neither requested the issuance of nor received said checks;

(11) That the A&S customers' signature appearing on the back of the checks referred to in paragraph (9), above, are forgeries and were deposited without authorization from these customers into an account or a corporation in which the A&S clients did not have any interest or connection;

(12) That with respect to the checks referred to in paragraph (9), above, A&S did not fully comply with its internal written procedures covering the hand delivery of A&S checks to clients by A&S agents and had no internal written procedures covering the pick-up of A&S checks personally by a client;

(13) That A&S failed to diligently supervise its employees in that, among other things: (a) prior to June 1986, A&S failed to establish adequate written procedures to insure proper check disbursement via agent delivery and subsequent to June 1986, A&S did not follow its own written procedures in said area; and (b) at all times relevant to the transactions related herein, A&S failed to establish any written procedures to insure proper check disbursement via customer pick-up; and,

(14) That the heretofore described activities are violative of Rules 303 B and 305 A 3 of the Commission's Securities Act Rules promulgated pursuant to Va. Code Section 13.1-523.

The Defendant neither admits nor denies the 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, the Defendant has proposed, and agrees to comply with, the following terms and undertakings:

(A) A&S will make full restitution (including interest at the rate of six percent per annum as well as all attorney's fees incurred by customers as a result of the alleged misappropriations) within seven (7) days of the entry of this order to all customers and former customers who sustained losses in their accounts due to the misappropriations alleged to have been committed by Vihko and Kahwajy and will promptly thereafter present satisfactory proof to the Commission that such restitution (currently estimated to be no less than $76,000 and no more than $86,000, exclusive of attorney's fees) has been made;

(B) Within twenty-one (21) days of the date of this order, the Defendant will make or cause to be made a written offer to rescind the sale of units of Equitec Real Estate Investors Fund XIV and of units of Centennial Development Fund IV made by the Defendant to its customer; that such offer will provide for the refund of the full amount of consideration paid by the customer for these 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 customer no longer owns the securities; that the customer will have thirty (30) days from the date of receipt of the offer within which to either accept or reject the offer; and, the Defendant, if its offer is accepted, will make restitution within ten (10) days from the date the customer's acceptance of the offer is received by the Defendant; this offer will constitute the entire and only offer made by the Defendant to the customer concerning rescission of the sale of units of Equitec Real Estate Investors Fund XIV and of units of Centennial Development Fund IX; the Defendant will make no offer to the customer concerning rescission of the sale of units of Equitec Real Estate Investors Fund XIV and of units of Centennial Development Fund IV except an offer under the terms and conditions set forth in this paragraph (B);

(C) Evidence of compliance with the provisions of paragraph (B), above, will be filed with the Division by the Defendant within seven (7) days from the date payment is remitted to the customer or from the date the offer is rejected or lapses, whichever occurs first; that such evidence will be in the form of an affidavit, executed by an appropriate officer of the Defendant, which will contain the following information: (i) the date on which the customer received the offer of rescission; (ii) the date and nature of the customer's response to the offer; (iii) if applicable, the date on which payment was remitted to the customer; and (iv) if applicable, the amount of payment remitted to the customer;

(D) The Defendant will include with the offer of rescission a copy of this order, and will make no comments or representations, either directly or indirectly, to the customer as to the reason for the offer other than those set forth in this order;

(E) A&S will retain an independent accounting firm (i) to independently review and evaluate A&S's overall written supervisory procedures; (ii) to independently review and evaluate A&S's internal controls and written procedures with respect to the handling of customer funds and securities by A&S agents including, but not limited to, hand delivery of checks to customers by A&S agents, pick up of checks by customers at an A&S office, review of check dispersal records by supervisory personnel, and supervisory practices governing such internal controls and procedures; (iii) to independently review and evaluate A&S's internal controls and written procedures with respect to the recommendation of securities by A&S agents to customers in compliance with the Commission's Securities Act Rule 305 A 3 including, but not limited to, recommendation of limited partnership securities, and supervisory practices governing such internal controls and procedures; and (iv) to make recommendations, if deemed necessary, for the update and/or improvement of the internal controls and procedures in these areas;

(F) Within five (5) months from the entry of this order, either A&S or the independent accounting firm will file with the Division a special audit report setting forth the results of the independent accounting firm's review, evaluation and recommendations, if any, referred to in paragraph (E);

(G) Within seven (7) days from the date of this order, A&S will modify its procedures applicable to its Virginia offices to prohibit the hand delivery of checks to customers; A&S may rescind this prohibition after adopting all of the independent accounting firm's recommendations with respect to the handling of customer funds and securities by A&S agents; prior to rescissionof this prohibition A&S will submit an affidavit to the Commission stating that A&S has adopted the aforesaid recommendations;

(H) Promptly after completion of the review and evaluation referred to in paragraph (E), A&S will implement a training and counseling program consisting, at a minimum, of a training session at least once every twelve (12) months during the next twenty-four (24) months to be attended by all A&S agents and all other A&S employees subject to or affected by the procedures referred to in paragraphs (E) and (F), above; these training sessions will be for the purposes of ensuring compliance with the Defendant's overall written supervisory procedures and the Defendant's internal controls and procedures relating to the handling of customer funds and securities by A&S agents, and the recommendation of securities by A&S agents to customers in accordance with the Commission's Securities Act Rule 305 A 3, including, but not limited to, delivery of checks to customers by A&S agents, pick up of checks by customers at an A&S office, review of check dispersal records by supervisory personnel and recommendation of limited partnership securities; these training sessions will be conducted by a representative of the independent accounting firm in conjunction with such personnel from A&S, as may be appropriate; A&S will submit to the Division a schedule for these training and counseling programs;

(I) The independent accounting firm will perform audits of all A&S Virginia offices for the purpose of determining the level of compliance by those offices with A&S's overall written supervisory procedures and A&S's internal controls and procedures relating to the handling of customer funds and securities by A&S agents and the recommendation of securities by A&S agents to customers in accordance with the Commission's Securities Act Rule 305 A 3, including, but not limited to, hand delivery of checks to customers by A&S agents, pick up of checks by customers at an A&S office, review of check dispersal records by supervisory personnel, recommendation of limited partnership securities, and supervisory practices governing such procedures, no less frequently than once every twelve (12) months for the next twenty-four (24) months following the completion of the first training and counseling program referred to in paragraph (H); promptly after the completion of each audit, the results will be set forth in a written report, a copy of which will be promptly filed with the Division;

(J) The Commission may retain, at A&S's expense, an independent, certified public accounting firm acceptable to the Commission to:

(i) Independently review and assess the special audit report prepared pursuant to paragraph (F), above, by the independent accounting firm retained by A&S, including review of the worksheets and work product used to prepare said report, and to recommend updates and/or improvements, if any are deemed necessary, to the internal controls and written procedures in these areas, where such recommendations would differ from those proposed by the independent accounting firm retained by A&S;

(ii) Independently review and assess the audit reports referred to in paragraph (I), including the worksheets and work product used to prepare said reports, and to recommend updates and/or improvements, if any are deemed necessary, to the internal controls and written procedures in these areas, where such recommendations would differ from those proposed by the independent accounting firm retained by A&S; and

(iii) Conduct an independent audit of one or more A&S Virginia offices should the Commission determine that such audit is necessary; and

(K) A&S will modify its internal controls and written procedures in accordance with the recommendations, if any, of the independent, certified public accounting firm referred to in paragraph (J), and will submit to the Division an affidavit stating that it has adopted the aforesaid recommendations.

The Division has recommended that the Defendant's offer of settlement be accepted pursuant to the authority granted to the Commission in Va. Code Section 12.1-15. It is, therefore,

ORDERED:

(1) That, pursuant to Va. Code Section 12.1-15, the Defendant's offer of settlement, the terms and undertakings of which as set out in paragraphs (A) through (K), above, are incorporated herein by reference, is accepted;

(2) That the Defendant fully and in good faith comply with the aforesaid terms and undertakings; and,

(3) That the Commission shall retain jurisdiction in this matter for all purposes.

CASE NO. SEC900009
MARCH 6, 1990

APPLICATION OF
NEW MOUNT VERNON BAPTIST CHURCH

For an Order of Exemption under Section 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 27, 1989, with exhibits attached thereto, of New Mount Vernon Baptist Church ("New 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 the agent registration requirements of the Securities Act be waived.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: New Mount Vernon operates not for private profit but exclusively for religious, educational, benevolent or charitable purposes; New Mount Vernon intends to offer and sell First Deed of Trust Bonds in an approximate amount of $435,000 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 Mount Vernon who will not be compensated for their efforts; and said securities also may be offered and sold by broker-dealers so registered under the Securities Act.

THE COMMISSION, based on the facts asserted by New Mount Vernon in the written application and exhibits, is of the opinion and does hereby ADJUDGE AND ORDER that the offer and sale of the securities described above be exempt from the securities registration requirements of the Securities Act pursuant to the provisions of Code Section 13.1-514.1.B and that the agent registration requirements of the Securities act be waived for the members of the bond sales committee.

CASE NO. SEC900010
FEBRUARY 7, 1990

APPLICATION OF
THREE CHOPT PRESBYTERIAN CHURCH

For an Order of Exemption under Section 13.1-514.1.B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated January 5, 1990, with exhibits attached thereto, of Three Chopt Presbyterian Church ("Three Chopt") requesting that certain unsecured Bonds be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that the agent registration requirements of the Securities act be waived.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: Three Chopt operates not for private profit but exclusively for religious, educational, benevolent or charitable purposes; Three Chopt intends to offer and sell unsecured Bonds in an approximate aggregate amount of $100,000 on terms and conditions as more fully described in the application; said securities are to be offered and sold only to Three Chopt members by a bond sales committee composed of members of Three Chopt who will not be compensated for their efforts; and the bond sales committee will make full, fair and effective disclosure to all potential bond purchasers.

THE COMMISSION, based on the facts asserted by Three Chopt in the written application and exhibits, is of the opinion and does hereby ADJUDGE AND ORDER that the offer and sale of the securities described above be exempt from the securities registration requirements of the Securities Act pursuant to the provisions of Code Section 13.1-514.1.B and that the agent registration requirements of the Securities act be waived for the members of the bond sales committee.

CASE NO. SEC900011
MARCH 6, 1990

APPLICATION OF
NORTHERN VIRGINIA MENNONITE CHURCH

For an Order of Exemption under Section 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 4, 1989, with exhibits attached thereto, of Northern Virginia Mennonite Church ("Northern"), 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 the agent registration requirements of the Securities Act be waived.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: Northern operates not for private profit but exclusively for religious, educational, benevolent or charitable purposes; Northern intends to offer and sell First Deed of Trust Bonds in an aggregate amount of $220,000 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 a bond sales committee composed of members of Northern who will not be compensated for their efforts.

THE COMMISSION, based on the facts asserted by Northern in the written application and exhibits, is of the opinion and does hereby ADJUDGE AND ORDER that the offer and sale of the securities described above be exempt from the securities registration requirements of the Securities Act pursuant to the provisions of Code Section 13.1-514.1.B and that the agent registration requirements of the Securities Act be waived for the members of the bond sales committee.

CASE NO. SEC900014
MARCH 15, 1990

APPLICATION OF
MEMORIAL BAPTIST CHURCH, (A NON - PROFIT TEXAS CORPORATION)

For a Certificate 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 Memorial Baptist Church ("MBC") dated February 20, 1990, 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 Va. Code § 13.1-514.1.B.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: MBC is a non-profit corporation organized under the laws of the State of Texas for religious purposes; MBC intends to offer and sell First Mortgage Bonds, 1990 Series, dated April 1, 1990 in the approximate aggregate amount of one million six hundred thousand dollars ($1,600,000.00).

THE COMMISSION, based on the facts asserted by MBC in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that the securities described above are exempted from the securities registration requirements of the Securities Act pursuant to the provisions of Va. Code § 13.1-514.1.B and the offers and sales shall be made in Virginia only by broker-dealers which are so registered in this Commonwealth.

CASE NO. SEC900022
MARCH 12, 1990

APPLICATION OF
MINERAL SPRING BAPTIST CHURCH

For an Order of Exemption under Section 13.1-514.1.B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated December 1, 1989 with exhibits attached thereto, of Mineral Spring Baptist Church ("Mineral"), 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 the agent registration requirements of the Securities Act be waived.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: Mineral operates not for private profit but exclusively for religious, educational, benevolent or charitable purposes; Minreal intends to offer and sell First Deed of Trust Bonds in an approximate amount of $100,000 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 Mineral who will not be compensated for their efforts; and said securities also may be offered and sold by broker-dealers so registered under the Securities Act.

THE COMMISSION, based on the facts asserted by Mineral in the written application and exhibits, is of the opinion and does hereby ADJUDGE AND ORDER that the offer and sale of the securities described above be exempt from the securities registration requirements of the Securities Act pursuant to the provisions of Code Section 13.1-514.1.B and that the agent registration requirements of the Securities act be waived for the members of the bond sales committee.

CASE NO. SEC900024
MARCH 15, 1990

APPLICATION OF
C. H. MASON MEMORIAL CHURCH OF GOD IN CHRIST

For an Order of Exemption under Section 13.1-514.1.B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated December 29, 1989, with exhibits attached thereto, of C. H. Mason Memorial Church of God in Christ ("Mason") 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 the agent registration requirements of the Securities Act be waived.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: Mason operates not for private profit but exclusively for religious, educational, benevolent or charitable purposes; Mason intends to offer and sell First Deed of Trust Bonds in an approximate 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 sales committee composed of members of Mason who will not be compensated for their efforts; and said securities also may be offered and sold by broker-dealers so registered under the Securities Act.

THE COMMISSION, based on the facts asserted by Mason in the written application and exhibits, is of the opinion and does hereby ADJUDGE AND ORDER that the offer and sale of the securities described above be exempt from the securities registration requirements of the Securities Act pursuant to the provisions of Code Section 13.1-514.1.B and that the agent registration requirements of the Securities act be waived for the members of the bond sales committee.

CASE NO. SEC900031
APRIL 5, 1990

APPLICATION OF
DOGWOOD HILLS GOLF COURSE, INC., (A VIRGINIA STOCK CORPORATION)

For a Certificate of Exemption pursuant to § 13.1-514.1.A of the Code of Virginia

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application, with exhibits attached thereto, requesting a determination that certain stock to be issued by Dogwood Hills Golf Course, Inc. ("Dogwood Hills") be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) pursuant to Va. Code § 13.1-514.1.A and that agent registration requirements be waived for specific individuals offering and selling such stock.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: Dogwood Hills was incorporated in Virginia on June 23, 1988 for the purpose of financing, constructing and operating an eighteen hole public golf course in Wise County, Virginia; Dogwood Hills intends to offer twenty-five thousand shares of Common Stock at the price of one hundred dollars per share; each share of stock shall entitle the holder to one vote; shares will be offered and sold by Larry G. Dingus, Bonnie Aker, C. B. Bennette, Jr. and Robert Pippen, all officers or directors of Dogwood Hills, who shall receive no commissions or other remuneration, directly or indirectly, for such activities; proceeds from the sale of stock shall be used to purchase land, construct the course, purchase mowing and maintenance equipment, provide operating capital and reserves and provide a club house, as detailed in item 9. of a memorandum dated January 16, 1990 submitted as part of the application and signed by Larry G. Dingus; and Dogwood Hill's proposed offer of securities is sponsored and endorsed by various organizations, towns and counties in and around the Wise County area.

THE COMMISSION, based upon the representations made in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that the Common Stock described above be exempted from the securities registration requirements of the Securities Act pursuant to the provisions of Va. Code § 13.1-514.1.A and the agent registration requirements applicable to the above named individuals is hereby waived.

CASE NO. SEC900032
MARCH 30, 1990

APPLICATION OF
ZIEGLER SECURITIES

For a Certificate 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 Ziegler Securities, a division of B. C. Ziegler and Company dated March 5, 1990, requesting that a guaranty issued in connection with certain Maryland Health and Higher

Educational Facilities Authority Revenue Bonds be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) pursuant to Va. Code § 13.1-514.1.B.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: Holy Cross Health System Corporation, Saint Joseph's Care Group, Inc., Saint Joseph's Medical Center, Inc., Holy Cross Parkview Hospital, Inc., Saint John's Health Care Corporation, Holy Cross Hospital of Salt Lake City, St. Benedict's Hospital, Saint Alphonsus Regional Medical Center, Inc., Saint Agnes Medical Center, Holy Cross Medical Center (Mission Hills, California), Holy Cross Care Services, Inc. and Holy Cross Hospital of Silver Spring, Incorporated ("the Obligated Group") are non-profit corporations organized and operated not for private profit and for benevolent and charitable purposes; the Obligated Group intends to offer and sell in connection with the Maryland Health and Higher Educational Facilities Authority Revenue Bonds, Holy Cross Hospital Issue, Series 1990-A, a security, to wit: a guarantee of the principal, premium and interest on the 1990-A Bonds as evidenced by a Master Trust Indenture originally dated November 1, 1981, as supplemented and modified.

THE COMMISSION, based on the facts asserted by Ziegler Securities in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that the offer and sale of the security described above is exempted from the securities registration requirements of the Securities Act pursuant to the provisions of Va. Code § 13.1-514.1.B and shall be made in Virginia only by broker-dealers and their agents which, at the time of offer and sale, are registered under the Securities Act.

CASE NO. SEC900034
JUNE 22, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte, in re: Promulgation of rules pursuant to Va. Code § 13.1-523 (Securities Act)

ORDER ADOPTING RULES

On or about April 16, 1990, the Division of Securities and Retail Franchising of the State Corporation Commission gave notice to interested persons and to the general public of proposed rules designed to implement recently enacted amendments of the Securities Act (Va. Code § 13.1-501 et seq.) and to amend existing Securities Act Rules. In response to the notice, a number of written comments were received. One commentator requested an opportunity to be heard in respect of the proposed rules, but such request subsequently was withdrawn. Consequently, no hearing was conducted in this matter.

The Commission, upon consideration of the proposals and the comments, is of the opinion and finds that proposed Rules 401.1 and 505 should be modified in certain respects and that all of the other proposed rules and rule amendments should be adopted as proposed; it is, therefore,

ORDERED that the proposed additions and amendments, as modified, to the Securities Act Rules considered in this proceeding, a copy of which is attached hereto and made a part hereof, be, and they hereby are, adopted and shall become effective as of July 1, 1990.

NOTE: A copy of the modified additions and amendments to the Securities Act Rules are on file and may be examined at the State Corporation Commission, Document Control Center, Floor B-1, Jefferson Building, Governor and Bank Streets, Richmond, Virginia.

CASE NO. SEC900036
APRIL 10, 1990

APPLICATION OF
NORTH TEXAS HIGHER EDUCATION AUTHORITY, INC., (A NON - PROFIT TEXAS CORPORATION)

For a Certificate 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 North Texas Higher Education Authority, Inc. ("the Authority") dated March 22, 1990, requesting that certain Bonds be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) pursuant to Va. 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 Authority is a non-profit corporation organized under the laws of the State of Texas for educational purposes; the Authority intends to offer and sell Student Loan Revenue Refunding Bonds, Series 1990, in the approximate aggregate amount of fifty million dollars ($50,000,000.00).

THE COMMISSION, based on the facts asserted by the Authority in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that the securities described above are exempted from the securities registration requirements of the Securities Act pursuant to the provisions of Va. Code § 13.1-514.1.B and the offers and sales shall be made in Virginia only by broker-dealers which are so registered in this Commonwealth.

CASE NO. SEC900037
APRIL 12, 1990

APPLICATION OF
NORTH RUN BAPTIST CHURCH

For an Order of Exemption under Section 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 6, 1990, with exhibits attached thereto, of North Run Baptist Church ("North Run") 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 the agent registration requirements of the Securities Act be waived.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: North Run operates not for private profit but exclusively for religious, educational, benevolent or charitable purposes; North Run intends to offer and sell First Deed of Trust Bonds, Series 1990-A in an approximate 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 North Run who will not be compensated for their efforts; and said securities also may be offered and sold by broker-dealers so registered under the Securities Act.

THE COMMISSION, based on the facts asserted by North Run in the written application and exhibits, is of the opinion and does hereby ADJUDGE AND ORDER that the offer and sale of the securities described above be exempt from the securities registration requirements of the Securities Act pursuant to the provisions of Code Section 13.1-514.1.B and that the agent registration requirements of the Securities act be waived for the members of the bond sales committee.

CASE NO. SEC900043
APRIL 17, 1990

APPLICATION OF
WNH LIMITED PARTNERSHIP

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 WNH Limited Partnership ("Applicant") dated February 9, 1990, with exhibits, as supplemented by letter dated March 16, 1990, filed under Virginia Code § 13.1-525 by its counsel and upon payment of the requisite fee. Applicant has requested a determination that the securities described below are exempted from the securities registration requirements of the Securities Act pursuant to Virginia Code § 13.1-514(a)(1) and (3). The pertinent information contained in the application is summarized as follows:

Applicant, a Maryland limited partnership, proposes to issue $57,940,000 Department of the Navy Lease Collateralized Revenue Bonds (Woodbridge Series 1990) ("Bonds"). The Bonds are to be issued in denominations of $5,000 each or any integral multiple thereof. The proceeds from the sale of the Bonds will be used to provide financing for a 600-unit multifamily residential housing project to be leased to the United States Government and located in the Woodbridge area of Prince William County, Virginia. Payments of principal of, premium, if any, and interest on the Bonds will be secured by various devices. Examples of these security devices include Applicant's intention to assign to a trustee for the benefit of the bondholders rent and other payments due it under the lease with the federal government; during the construction period, the Bonds will be secured by a direct pay, irrevocable letter of credit issued in favor of the trustee by a national bank ("Construction Letter of Credit"); and, in the event the housing project is damaged and an abatement of the lease payments results, Applicant will attempt to arrange for the issuance of an irrevocable standby letter of credit by a national bank to provide funds sufficient either to redeem the Bonds or to pay timely principal of and interest on the Bonds, whichever may be necessary ("Casualty Letter of Credit").

Va. Code § 13.1-514(a)(1) and (3) provide, in part:

> (a) The following securities are exempted from the securities registration requirements of [the Act]:
> (1) Any security . . . guaranteed by the United States . . .;
> . . . .
> (3) Any security . . . guaranteed by . . . any national bank. . . .

Applicant asserts that the Bonds are subject to the foregoing exemptions because the various devices used to secure the Bonds create a continuous "guarantee" by either the federal government or a national bank. On prior occasions, the Commission has determined that an irrevocable standby letter of credit issued by a national bank as well as an irrevocable letter of credit issued by a national bank were tantamount to a guarantee for purposes of the (a)(3) exemption (Application of Rauscher Pierce Refsnes, Inc., Case No. SEC860081, Nov. 3, 1986; Application of Brencap Corp., Case No. SEC860080, Nov. 10, 1986).

The weakness in Applicant's position relates to the Casualty Letter of Credit. As explained in the Preliminary Offering Circular which accompanied the application, Applicant "covenants that if a Casualty Event occurs it will use its best efforts to arrange the issuance of the Casualty Letter of Credit. . ." Prelim. Offer. Circ. Dated _____, 1990, p. 2 (emphasis added). This disclosure indicates that obtaining the Casualty Letter of Credit will be (i) attempted only after the occurrence of a Casualty Event and (ii) on a best efforts basis by Applicant. Such uncertainty is contrary to the concept of "guaranteed" as used in § 13.1-514(a)(3).

THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Bonds will not at all times be guaranteed by the United States or a national bank; accordingly, it is

ORDERED that the Bonds to be issued by Applicant are not exempted from the securities registration requirements of the Securities Act pursuant to Va. Code § 13.1-514(a)(1) and (3).

CASE NO. SEC900044
MAY 7, 1990

APPLICATION OF
DEVELOPMENT BANK OF WASHINGTON

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 Development Bank of Washington ("Applicant") dated April 6, 1990, with exhibit attached, filed under Virginia Code § 13.1-525 by its counsel and upon payment of the requisite fee. Applicant has requested a determination that the securities described below are exempted from the securities registration requirements of the Securities Act pursuant to Virginia Code § 13.1-514(a)(3). The pertinent information contained in the application is summarized as follows:

Applicant is a District of Columbia bank in organization under Title 26, Chapter 8 of the District of Columbia Code. Its business will consist of providing a full range of commercial banking as well as trust services. While it is in formation, and once it is authorized to commence banking operations, Applicant will be subject to regulation by the Superintendent of Banking and Financial Institutions of the District of Columbia. In the course of its operation, Applicant also will be subject to regulation and examination by the Federal Reserve Board and the Federal Deposit Insurance Corporation. Class A common stock of Applicant is proposed to be offered and sold either (1) on a best efforts basis by the organizers, who will not receive any commissions or other remuneration, directly or indirectly, for soliciting any prospective investor or (2) by registered broker-dealers. Proceeds from the offering will be placed in an escrow account and will be refunded without deduction if Applicant is not given operating authority for any reason.

Virginia Code § 13.1-514(a)(3) provides an exemption from the securities registration requirements of the Securities Act for "[a]ny security issued by and representing an interest in . . . any bank . . . organized under the laws of any state. . . ." Virginia Code § 13.1-501 defines the term "state" to mean "any state . . . of the United States, including the District of Columbia. . . ."

The exemption provided by § 13.1-514(a)(3) is premised on the fact that a bank is comprehensively supervised and regulated under and by the banking laws and regulators of its state of organization and/or the federal statutes and administrators concerned with banks. Applicant, although it is a bank in organization (as opposed to a bank in operation), is subject to scrutiny by the banking regulators of the District of Columbia. Given the rationale for the exemption and the supervision to which Applicant is susceptible, additional regulation is not required under the Securities Act because it would be unwarranted.

THE COMMISSION, upon consideration of this matter, is of the opinion and finds that Applicant is a bank within the purview of § 13.1-514(a)(3); accordingly, it is

ORDERED that the Class A common shares of Applicant, as well as the subscriptions therefor, be, and they hereby are, exempted from the securities registration requirements of the Securities Act pursuant to Virginia Code § 13.1-514(a)(3).

CASE NO. SEC900045
APRIL 18, 1990

APPLICATION OF
FUND FOR AN OPEN SOCIETY (A NON - PROFIT PENNSYLVANIA CORPORATION)

ORDER AMENDING ORDER OF EXEMPTION Dated February 28, 1986

THIS MATTER came on for consideration upon written Petition, with exhibits attached thereto, of Fund For An OPEN Society dated April 5, 1990, requesting that the original Order of Exemption dated February 28, 1986 be amended to reflect changes made in the terms of the offering subsequent to February 28, 1986.

BASED UPON THE INFORMATION submitted, the Commission is of the opinion and finds, and does hereby ADJUDGE AND ORDER that the second paragraph of the Order of Exemption heretofore entered on February 28, 1986, shall be amended to read as follows:

> BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: the Fund is a non-profit corporation organized under the laws of the Commonwealth of Pennsylvania for charitable purposes. The Fund intends to offer and sell Subordinated Notes for one thousand dollars ($1,000.00) or multiples thereof in an aggregate amount of five hundred thousand dollars ($500,000.00) under terms and rates as more fully described in the INFORMATION ON SUBORDINATED NOTES dated February 22, 1990 submitted with this Petition.

CASE NO. SEC900046
APRIL 19, 1990

APPLICATION OF
LOUISA COUNTY FARM BUREAU, INC. (A NON-STOCK, NON-PROFIT VIRGINIA CORPORATION)

For a Certificate 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 dated April 9, 1990, with exhibits attached thereto of Louisa County Farm Bureau, Inc. ("Applicant") filed by its President. Applicant has requested a determination that certain bonds it proposes to issue are exempted from the securities registration requirements of the Virginia Securities Act because the securities will be issued by a person organized and operated not for private profit but for economic, social, educational and spiritual purposes.

The pertinent information contained in the application is summarized as follows:

Applicant is a non-stock, non-profit Virginia corporation organized 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. Applicant proposes to offer and sell Registered Bonds maturing on June 1, 2005, bearing interest at the rate of 7.5% per annum in denominations of one hundred dollars ($100.00) or multiples thereof and in the aggregate principal amount of one hundred thousand dollars ($100,000.00). All offers and sales shall be made by Applicant's officers and directors who shall receive no remuneration or compensation directly or indirectly in connection with the offer and sale of these Bonds.

THE COMMISSION, based on the facts asserted by Applicant in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that the Applicant's securities described above are exempted from the securities registration requirements of the Virginia Securities Act pursuant to § 13.1-514.1.B and the agent registration requirements of § 13.1-504 are hereby waived for officers and directors of the Applicant who will receive no compensation or remuneration either directly or indirectly for offering or selling such securities.

CASE NO. SEC900047
APRIL 27, 1990

APPLICATION OF
NEBRASKA HIGHER EDUCATION LOAN PROGRAM, INC. (A NON-PROFIT NEBRASKA CORPORATION)

For a Certificate 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 Nebraska Higher Education Loan Program, Inc. ("N-HELP") dated April 13, 1990, requesting that certain Medium Term Notes and Commercial Paper 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 UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: N-HELP is a non-profit corporation organized for educational purposes under the laws of the State of Nebraska; N-HELP intends to issue Medium Term Notes ("MTNs") including Series A and Series B MTNs and Commercial Paper Notes ("CPNs") subject to certain terms and conditions as more fully described in the Preliminary Official Statements and Commercial Paper Issuer Investor Disclosure Reports dated April, 1990 and filed as part of the application.

THE COMMISSION, based on the facts asserted by counsel to Morgan Stanley & Co., Incorporated, the dealer/underwriter, in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that the MTNs and CPNs 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 offers and sales of such securities shall be made in Virginia only by broker-dealers registered in this Commonwealth.

CASE NO. SEC900050
APRIL 27, 1990

APPLICATION OF
NATIONAL COVENANT PROPERTIES (A NOT - FOR - PROFIT ILLINOIS CORPORATION)

For an Order of Exemption pursuant to Section 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 National Covenant Properties ("NCP") dated March 8, 1990, requesting that the securities that NCP 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 the agent registration requirements of the Securities Act be waived.

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 $10,000,000 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.

THE COMMISSION, based on the facts asserted by NCP in the written application and exhibits, is of the opinion and does hereby ADJUDGE AND ORDER that the offer and sale of the securities described above is exempt from the securities registration requirements of the Securities Act pursuant to the provisions of Code Section 13.1-514.1.B and that the agent registration requirements of the Securities Act are waived for NCP's officers.

CASE NO. SEC900053
MAY 21, 1990

APPLICATION OF
ECOVA 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 April 13, 1990, with exhibit, of ECOVA 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 and broker-dealer registration requirements of the Securities Act of Virginia pursuant to Va. Code § 13.1-514(b)(9) and (c)(2). The pertinent information contained in the application is summarized as follows:

Applicant is a corporation organized and existing under the laws of the State of Delaware. It proposes to recapitalize and to reorganize by merging with ECOVA Acquisition Corporation, a corporation recently formed under the laws of the State of Delaware. Applicant will be the surviving corporation of the merger ("reorganized ECOVA"). In connection with the merger, Applicant's currently outstanding common and preferred stock as well as certain of its debt securities will be converted into the right to receive a specified amount of cash; the right to subscribe for preferred stock of the reorganized ECOVA; and/or converted into shares of common stock of the reorganized ECOVA. The merger will be governed by the applicable laws of the State of Delaware. No commissions will be paid to any person in connection with the merger.

Va. Code § 13.1-514 provides, in part:

> (b) The following transactions are exempted from the securities registration and the broker- dealer registration requirements of this chapter . . .:
>
> . . . .
>
> (9) Any transaction pursuant to an offer to existing security holders of the issuer . . . if either (A) no commission or other remuneration (other than a standby commission) is paid or given directly or indirectly for soliciting any security holder in this Commonwealth. . . .
>
> . . . .
>
> (c) The following transactions are exempted from all the provisions of this chapter:
>
> . . . .
>
> (2) Any transaction incident to a . . . statutory . . . merger. . . .

THE COMMISSION, based upon the data supplied, is of the opinion and finds:

(1) That because Applicant will be the surviving corporation of the merger, it is "the issuer" for purposes of the (b)(9) exemption; that the conversions and rights offerings associated with the merger will be offered to the existing security holders of Applicant; and, that no commission will be paid for soliciting any of Applicant's security holders in Virginia;

(2) That the right to subscribe for the preferred stock of, and the conversion of Applicant's currently outstanding securities into shares of, the reorganized ECOVA are transactions incident to a statutory merger; and,

(3) That the exemptions provided by Va. Code § 13.1-514(b)(9) and (c)(2) are applicable to the conversions and rights offerings associated with Applicant's merger, recapitalization and reorganization; it is, therefore,

ORDERED that the transactions described above are exempted from the securities and broker-dealer registration requirements of the Securities Act pursuant to Va. Code § 13.1-514(b)(9) and (c)(2).

CASE NO. SEC900054
MAY 9, 1990

APPLICATION OF
COMMUNITY CHURCH OF GOD IN CHRIST

For an Order of Exemption under Section 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 8, 1990, with exhibits attached thereto, of Community Church of God in Christ ("Community"), 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 the agent registration requirements of the Securities Act be waived.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: Community operates not for private profit but exclusively for religious, educational, benevolent or charitable purposes; Community intends to offer and sell First Deed of Trust Bonds in an approximate amount of $225,000 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 Community who will not be compensated for their efforts; and said securities also may be offered and sold by broker-dealers so registered under the Securities Act.

THE COMMISSION, based on the facts asserted by Community in the written application and exhibits, is of the opinion and does hereby ADJUDGE AND ORDER that the offer and sale of the securities described above be exempt from the securities registration requirements of the Securities Act pursuant to the provisions of Code Section 13.1-514.1.B and that the agent registration requirements of the Securities act be waived for the members of the bond sales committee.

CASE NO. SEC900056
JUNE 5, 1990

APPLICATION OF
FRIENDS MEETING HOUSE FUND, INC.
(A NON - PROFIT PENNSYLVANIA CORPORATION)

For an Order of Exemption pursuant to Section 13.514.1.B of the Code of Virginia (1950)

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application, with exhibits attached thereto, of Friends Meeting House Fund, Inc. ("Friends") dated March 31, 1990, requesting that the securities that Friends 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 the agent registration requirements of the Securities Act be waived.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: Friends is a non-profit corporation organized under the laws of the State of Pennsylvania for religious and charitable purposes; Friends intends to offer and sell Mortgage Pool Notes in an approximate aggregate amount of $4,500 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 to Roanoke-Blacksburg Friends Meeting; and said securities are to be offered and sold by Friends' officers.

THE COMMISSION, based on the facts asserted by Friends in the written application and exhibits, is of the opinion and does hereby ADJUDGE AND ORDER that the offer and sale of the securities described above to Roanoke-Blacksburg Friends Meeting be exempt from the securities registration requirements of the Securities Act pursuant to the provisions of Code Section 13.1-514.1.B and that the agent registration requirements of the Securities Act be waived for Friends' officers.

CASE NO. SEC900067
MAY 31, 1990

APPLICATION OF
WEST END COMMUNITY CHURCH OF THE NAZARENE

For an Order of Exemption under Section 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, 1990, with exhibits attached thereto, of West End Community Church of the Nazarene ("West End"), requesting that certain First Deed of Trust Bonds be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Tile 13.1, Chapter 5) and that the agent registration requirements of the Securities Act be waived.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: West End operates not for private profit but exclusively for religious, educational, benevolent or charitable purposes; West End 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 to members of Virginia churches that are affiliated with the Virginia District Church of the Nazarene; said securities are to be offered and sold by a bond sales committee composed of members of West End who will not be compensated for their efforts; and said securities also may be offered and sold by broker-dealers so registered under the Securities Act.

THE COMMISSION, based on the facts asserted by West End in the written application and exhibits, is of the opinion and does hereby ADJUDGE AND ORDER that the offer and sale of the securities described above be exempt from the securities registration requirements of the Securities Act pursuant to the provisions of Code Section 13.1-514.1.B and that the agent registration requirements of the Securities Act be waived for the members of the bond sales committee.

CASE NO. SEC900069
JUNE 6, 1990

APPLICATION OF
S. I. EDWARDS MEMORIAL SABBATH APOSTOLIC CHURCH

For an Order of Exemption under Section 13.1-514.1.B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated December 6, 1989, with exhibits attached thereto, of S. I. Edwards Memorial Sabbath Apostolic Church ("S. I. Edwards"), 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 the agent registration requirements of the Securities Act be waived.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: S. I. Edwards operates not for private profit but exclusively for religious, educational, benevolent or charitable purposes; S. I. Edwards intends to offer and sell First Deed of Trust Bonds in an approximate amount of $265,000 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 S. I. Edwards who will not be compensated for their efforts; and said securities also may be offered and sold by broker-dealers so registered under the Securities Act.

THE COMMISSION, based on the facts asserted by S. I. Edwards in the written application and exhibits, is of the opinion and does hereby ADJUDGE AND ORDER that the offer and sale of the securities described above be exempt from the securities registration requirements of the Securities Act pursuant to the provisions of Code Section 13.1-514.1.B and that the agent registration requirements of the Securities act be waived for the members of the bond sales committee.

CASE NO. SEC900070
JUNE 11, 1990

APPLICATION OF
AVALON CHURCH OF CHRIST

For an Order of Exemption under Section 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 9, 1990, with exhibits attached thereto, of Avalon Church of Christ ("Avalon"), 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 the agent registration requirements of the Securities Act be waived.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: Avalon operates not for private profit but exclusively for religious, educational, benevolent or charitable purposes; Avalon intends to offer and sell First Deed of Trust Bonds in an approximate amount of $400,000 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 Avalon who will not be compensated for their efforts; and said securities also may be offered and sold by broker-dealers so registered under the Securities Act.

THE COMMISSION, based on the facts asserted by Avalon in the written application and exhibits, is of the opinion and does hereby ADJUDGE AND ORDER that the offer and sale of the securities described above be exempt from the securities registration requirements of the Securities Act pursuant to the provisions of Code Section 13.1-514.1.B and that the agent registration requirements of the Securities act be waived for the members of the bond sales committee.

CASE NO. SEC900072
JUNE 13, 1990

APPLICATION OF
VIRGINIA TECH FOUNDATION, INC.
(A NON - STOCK, NON - PROFIT VIRGINIA CORPORATION)

For a Certificate 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 Mays & Valentine on behalf of Crestar Bank, N.A. d/b/a Crestar Capital Markets Group, Inc. and the Virginia Tech Foundation, Inc. ("the issuer"), requesting that a Guaranty issued in connection with certain Revenue Refunding Bonds be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) pursuant to Va. 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 issuer is a non-stock, non-profit corporation organized and operated for educational purposes; the issuer intends to offer and sell in connection with the Industrial Development Authority of Montgomery County, Virginia, Variable Rate Demand Revenue Refunding Bonds (Virginia Tech Corporate Research Center, Inc. Project) issue, Series 1990, a security, to wit: the unconditional guaranty of the payment of the principal and interest when and as due and all other payments required by a Credit Agreement and Agreement as such agreements are defined in the Private Placement Memorandum submitted as a part of the application.

THE COMMISSION, based on the facts asserted by Mays & Valentine in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that the offer and sale of the security described above is exempted from the securities registration requirements of the Securities Act pursuant to the provisions of Va. Code § 13.1-514.1.B and shall be made in Virginia only by broker-dealers and their agents which, at the time of offer and sale, are registered under the Securities Act or by persons specifically excluded from the definition of "Broker-Dealer" under § 13.1-501 of the Securities Act.

CASE NO. SEC900077
JUNE 21, 1990

APPLICATION OF
BETHANY HOME AND HOSPITAL OF THE METHODIST CHURCH
(A NOT - FOR - PROFIT ILLINOIS CORPORATION)

For a Certificate 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 Gardner, Carton & Douglas on behalf of John Nuveen & Co. Incorporated, the underwriter, requesting that a Guaranty issued by Bethany Home and Hospital of the Methodist Church ("the issuer") in connection with certain Revenue Refunding Bonds ("the Bonds") be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) pursuant to Va. 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 issuer is a not-for-profit corporation organized and operated for religious, charitable, scientific and educational purposes; the issuer intends to offer and sell in connection with the Illinois Health Facilities Authority Revenue Refunding Bonds Series 1990 (Bethany Home and Hospital of the Methodist Church) issue, a security, to wit: the guaranty of the payment of principal and interest on the Bonds as evidenced by the issuer's Note to the Illinois Health Facilities Authority pursuant to a Master Trust Indenture.

THE COMMISSION, based on the facts asserted by Gardner, Carton and Douglas in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that the offer and sale of the security described above is exempted from the securities registration requirements of the Securities Act pursuant to the provisions of Va. Code § 13.1-514.1.B and shall be made in Virginia only by broker-dealers and their agents which, at the time of offer and sale, are registered under the Securities Act.

CASE NO. SEC900078
JULY 23, 1990

APPLICATION OF
HOME MISSION BOARD OF THE SOUTHERN BAPTIST CONVENTION
(A NOT - FOR - PROFIT GEORGIA CORPORATION)

For an Order of Exemption under Section 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 29, 1990, with exhibits attached thereto, of Home Mission Board of the Southern Baptist Convention ("HMB") requesting that certain securities be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that the agent registration requirements of the Securities Act be waived.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: HMB is a not-for-profit corporation organized under the laws of the State of Georgia and operated exclusively for religious, educational, benevolent or charitable purposes; HMB intends to offer and sell Church Loan Collateralized Bonds, Series F in an approximate amount of $7,000,000 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 HMB's officers and the director of the Division of Church Loans of HMB working under their supervision; and such persons will not be compensated for their sales efforts.

THE COMMISSION, based on the facts asserted by HMB in the written application and exhibits, is of the opinion and does hereby ADJUDGE AND ORDER that the offer and sale of the securities described above be exempt from the securities registration requirements of the Securities Act pursuant to the provisions of Code Section 13.1-514.1.B and that the agent registration requirements of the Securities Act be waived for HMB's officers and the director of the Division of Church Loans of HMB working under their supervision.

CASE NO. SEC900082
JULY 16, 1990

APPLICATION OF
THE HEART INSTITUTE (A NON - PROFIT WASHINGTON CORPORATION)

For a Certificate 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 Heart Institute ("T.H.I.") dated July 6, 1990, requesting that certain Mortgage Bonds be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) pursuant to Va. Code § 13.1-514.1.B.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: T.H.I. is a non-profit corporation organized under the laws of the State of Washington for charitable, educational and scientific purposes; T.H.I. intends to offer and sell Mortgage Bonds, 1990 Series A dated August 1, 1990 in an approximate amount of ten million dollars ($10,000,000.00).

THE COMMISSION, based on the facts asserted by B. C. Ziegler and Company, the underwriter, in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that the offer and sale of the securities described above are exempted from the securities registration requirements of the Securities Act pursuant to the provisions of Va. Code § 13.1-514.1.B and shall be made in Virginia only by broker-dealers which are so registered in this Commonwealth.

CASE NO. SEC900083
JULY 16, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
V.
WILSON KELL GAY, JR., Indivdually and d/b/a
COMMONWEALTH INVESTMENT MANAGEMENT
Defendant

ORDER ACCEPTING SETTLEMENT

The Commission's Division of Securities and Retail Franchising has instituted an investigation of Defendant, Wilson Kell Gay, Jr., individually, and d/b/a Commonwealth Investment Management, pursuant to Section 13.1-518 of the Code of Virginia.

As a result of its investigation, the Division alleges:

(A) That Commonwealth Investment Management is a sole proprietorship registered under the Virginia Securities Act as an investment advisor;

(B) That Wilson Kell Gay, Jr. is the sole proprietor of Commonwealth Investment Management and is registered under the Virginia Securities Act as an investment advisor representative of Commonwealth Investment Management;

(C) That Defendant in violation of Section 13.1-502 (2) of the Virginia Securities Act, obtained money from investment advisory clients by means of untrue statements;

(D) That Defendant in violation of Section 13.1-503 A 2 of the Virginia Securities Act, engaged in a course of business which operated as a fraud or deceit upon investment advisory clients;

(E) That Defendant, in violation of Section 13.1-503 A 4 of the Virginia Securities Act, engaged in dishonest or unethical practices as defined in Rule 1206 I H of the Commission's Securities Act Rules by misrepresenting to advisory client, the qualifications of the investment advisor;

(F) That Defendant failed to conduct his investment advisory business in accordance with the following Securities Act Rules of the Commission:

(1) Rule 1202 A 1 - not maintaining cash receipts or disbursement journals;

(2) Rule 1202 A 2 - not maintaining general or auxiliary ledgers;

(3) Rule 1202 A 6 - not maintaining trial balances, financial statements and internal audit working papers; and,

(4) Rule 1202 C 2 - not maintaining the required information concerning the securities owned by his clients.

Defendant neither admits nor denies the allegations, but admits the Commission's jurisdiction and authority to enter this order.

As a proposal to settle all matters arising from the allegations made against it, Defendant has offered and agrees to comply with the following terms and undertakings.

1. Wilson Kell Gay, Jr., as sole-proprietor, will voluntarily terminate Commonwealth Investment Management's current investment advisor registration and his investment advisor representative registration under the Virginia Securities Act;

2. Wilson Kell Gay, Jr. will voluntarily withdraw his application to become a broker-dealer agent with Republic Securities, Inc.

3. Defendant agrees that he will not, (a) seek application to become registered in any capacity under the Virginia Securities Act, and (b) engage in the offer or sale of any security exempted from registration or any transaction exempted under the Virginia Securities Act. 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 aforesaid terms and undertakings of the settlement;

3. That the Commission retain jurisdiction in this matter for all purposes.

CASE NO. SEC900085
AUGUST 2, 1990

APPLICATION OF
ATLANTIC SHORES CHRISTIAN SCHOOLS, INC.
(A NON - STOCK VIRGINIA CORPORATION)

For an Order of Exemption pursuant to Section 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 7, 1990, with exhibits attached thereto, of Atlantic Shores Christian Schools, Inc. ("Atlantic Shores"), requesting that certain Second Deed of Trust 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: Atlantic Shores is a Virginia non-stock corporation organized and operated not for private profit but exclusively for charitable, educational and religious purposes; Atlantic Shores intends to offer and sell Second Deed of Trust Bonds in an approximate aggregate amount of $703,500 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 only to members of Atlantic Shores Baptist Church.

THE COMMISSION, based on the facts asserted by Atlantic Shores in the written application and exhibits, is of the opinion and does hereby ADJUDGE AND ORDER that the offer and sale of the securities described above be exempt from the securities registration requirements of the Securities Act pursuant to the provisions of Code Section 13.1-514.1.B and that the securities shall be offered and sold in Virginia only by broker-dealers so registered under the Securities Act.

CASE NO. SEC900086
AUGUST 2, 1990

APPLICATION OF
ATLANTIC SHORES BAPTIST CHURCH

For an Order of Exemption under Section 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 7, 1990, with exhibits attached thereto, of Atlantic Shores Baptist Church (the "Church"), requesting that the Guaranty to be issued by the Church as part of a bond offering by Atlantic Shores Christian Schools, Inc. 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: the Church operates not for private profit but exclusively for religious, educational, benevolent or charitable purposes; the Church intends to offer and sell as part of the Atlantic Shores Christian Schools, Inc. issuance of Second Deed of Trust Bonds ("Bonds") a security, to wit: a guaranty which guarantees the payment of the Bonds aggregating approximately $703,500 on terms and conditions as more fully described in the Prospectus filed as a part of the application.

THE COMMISSION, based on the facts asserted by the Church in the written application and exhibits, is of the opinion and does hereby ADJUDGE AND ORDER that the offer and sale of the security described above be exempt from the securities registration requirements of the Securities Act pursuant to the provisions of Code Section 13.1-514.1.B and that the security shall be offered and sold in Virginia only by broker-dealers so registered under the Securities Act.

CASE NOS. SEC900087 and SEC900088
NOVEMBER 30, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
VANDELINDE INVESTMENT PLANNING, INC.
and
TERRY L. VANDELINDE,
Defendants

ORDER OF DISMISSAL

BY ORDER entered herein on August 13, 1990, the Commission accepted the offer of settlement made by the Defendants.

IT NOW APPEARING to the Commission that Defendant Vandelinde has paid to the Commonwealth the penalty imposed by the aforesaid order, it is, therefore,

ORDERED that all issues raised in these matters concerning the Defendants' alleged violations of the Securities Act 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; and, that these matters be, and they hereby are, dismissed and the papers herein be placed in the file for ended causes.

CASE NO. SEC900089
OCTOBER 16, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
POCKETS, INC., Petitioner
v.
POCKETS, INCORPORATED, Defendant

FINAL ORDER

THIS PROCEEDING was initiated by order dated August 16, 1990, upon the petition of Pockets, Inc. which requested that the service mark registration issued to Pockets, Incorporated on May 24, 1984, be canceled from the register of trademarks and service marks. The Defendant was afforded twenty-one days from August 16, 1990, within which to file a responsive pleading. At the request of the Defendant, this deadline was extended through October 1 by order entered on September 14, 1990. To date, a responsive pleading has not been filed by Pockets, Incorporated.

THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the service mark registered by Pockets, Incorporated in 1984 has been abandoned and that the registration of the mark should be canceled pursuant to Va. Code § 59.1-86(3)(a); accordingly, it is

ORDERED that the registration of the service mark "POCKETS" and design owned by Pockets, Incorporated and registered under the Virginia Trademark and Service Mark Act on May 24, 1984, be, and it hereby is, canceled from the register of trademarks and service marks.

CASE NO. SEC900091
AUGUST 13, 1990

APPLICATION OF
SHEARSON LEHMAN HUTTON 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 Shearson Lehman Hutton Inc. ("Applicant") dated June 6, 1990, 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 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, a broker-dealer so registered under the Securities Act, desires to offer and sell to its clients securities, to wit: certificates of deposit ("CDs") issued by certain state chartered savings and loan associations and building and loan associations. The CDs will be insured either by the Federal Deposit Insurance Corporation ("FDIC") or a similar governmental agency up to an aggregate of $100,000 per depositor.

Va. Code § 13.1-514(a)(1) provides an exemption from the securities registration requirements of the Securities Act for "[a]ny security . . . guaranteed by . . . any agency . . . or instrumentality of [the United States] . . . ." Applicant contends that this language is applicable to the CDs.

THE COMMISSION, in reliance on the information submitted and upon consideration of this matter, is of the opinion and finds that for the purpose of this application, FDIC insurance is tantamount to a guarantee, up to the insurable limit, by an agency or instrumentality of the United States. It is, therefore,

ORDERED that the securities heretofore described be, and they hereby are, exempted from the securities registration requirements of the Securities Act pursuant to Va. Code § 13.1-514(a)(1) so long as the amount of the purchaser's account(s) with an issuer of such security does not exceed the insurable limit (as now or hereafter in effect) and so long as each such security is fully and unconditionally insured by the Federal Deposit Insurance Corporation or a similar agency.

CASE NO. SEC900092
SEPTEMBER 7, 1990

APPLICATION OF
MONOCLONAL ANTIBODIES, 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 dated June 19, 1990, with exhibit, as supplemented by letters dated June 29 and August 16, 1990, of Monoclonal Antibodies, Inc. ("Applicant") filed under Va. Code Section 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 and broker-dealer registration requirements of the Securities Act of Virginia pursuant to Va. Code § 13.1-514(b)(6) or (c)(2). The pertinent information contained in the application is summarized as follows:

Applicant is involved in the settlement of a class action law suit filed against it and others. As part of the settlement of the case, Applicant has agreed to issue to the class plaintiffs and their attorneys 950,000 warrants to purchase 950,000 shares of Applicant's common stock. The settlement, as well as the plan for the distribution of the proceeds of the settlement, was approved by the court in which the case is pending after a hearing on the fairness and reasonableness of the terms of the settlement and of the plan of distribution. Pursuant to order of the court, officers of Applicant will distribute the warrants in accordance with the plan of distribution. The court will retain jurisdiction of the case for purposes of implementation and administration of the settlement and of the distribution of the warrants, as well as for other reasons.

Va. Code § 13.1-514(b)(6) provides a transactional exemption for "a receiver, trustee in bankruptcy or other judicially appointed officer selling securities pursuant to court order." The pertinent provisions of Va. Code § 13.1-514(c)(2) afford an exemption for "[a]ny transaction incident to a . . . judicially approved reclassification, recapitalization, reorganization, quasi-reorganization, stock split, reverse stock split, merger, consolidation, sale of assets or exchange of stock." The application does not address which of the events specified in § 13.1-514(c)(2) is accomplished by the distribution of the warrants, and none is apparent to the Commission.

THE COMMISSION, upon consideration of this matter, is of the opinion and finds:

(1) That because the fairness and reasonableness of the proposed settlement and plan of distribution was approved, and continuing jurisdiction over the case will be retained, by the court in which the case is pending, Applicant's officers who effect the distribution of the warrants will be deemed "judicially appointed officers" within the purview of Va. Code § 13.1-514(b)(6) for the purpose of this application; and

(2) That the distribution of the warrants is not any of the events enumerated in § 13.1-514(c)(2); it is, therefore,

ORDERED:

(1) That the transactions described above are exempted from the securities and broker-dealer registration requirements of the Securities Act pursuant to Va. Code § 13.1-514(b)(6); and

(2) That the transactions described above are not subject to the exemption provided by Va. Code § 13.1-514(c)(2).

CASE NO. SEC900100
DECEMBER 4, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
VIRGINIA HOME IMPROVEMENTS, INC.,
Petitioner
v.
COLONIAL REMODELING, INC.,
Defendant

FINAL ORDER

THIS PROCEEDING was initiated by order dated September 19, 1990, upon the letter-petition of Virginia Home Improvements, Inc., which requested that the service mark registration issued to Colonial Remodeling, Inc. on July 3, 1990, be canceled from the register of trademarks and service marks. The Defendant, by counsel, timely filed a responsive pleading on October 17, 1990. By order dated November 2, a hearing on the petition was scheduled for December 4, 1990. On December 3, 1990, the Defendant filed a motion to withdraw its responsive pleading and the Petitioner, by its counsel, filed a pleading requesting that the Commission grant summarily the relief sought.

THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the motion and request filed on December 3, 1990, both should be granted and that the service mark registered by the Defendant should be canceled; accordingly, it is

ORDERED that the registration of the service mark "COLONIAL Remodeling Inc." issued to Colonial Remodeling, Inc. and registered under the Virginia Trademark and Service Mark Act on July 3, 1990, be, and it hereby is, canceled from the register of trademarks and service marks pursuant to Va. Code § 59.1-86(3)(e), that this matter be dismissed, and that the papers herein be placed in the file for ended causes.

CASE NO. SEC900101
AUGUST 31, 1990

APPLICATION OF
LUTHERAN CHURCH EXTENSION FUND - MISSOURI SYNOD

For a Certificate of Exemption pursuant to § 13.1-514.1.B of the Code of Virginia, as amended

ORDER OF EXEMPTION

IT APPEARING that Lutheran Church Extension Fund - Missouri Synod ("Synod") filed an application with supporting documents, dated August 15, 1990, as amended August 24, 1990, requesting that the securities that Synod proposes to issue be exempt from the securities registration requirements of the Securities Act (Code of Virginia, as amended, Title 13.1, Chapter 5) pursuant to the provisions of Code Section 13.1-514.1.B and the agent registration requirements of the Securities Act be waived; and

IT FURTHER APPEARING, based on the information submitted in and with the application, said information being incorporated herein by reference; that Synod proposes to issue, offer and sell investment obligations in the aggregate amount of $1,000,000 which are categorized as Dedicated Savings Certificates, Growth Certificates and Term Notes which will be issued in accordance with the terms and conditions set forth in the Virginia Offering Circular dated October 1, 1990 and as may be amended.

THE COMMISSION, having considered the information submitted and relying upon it, is of the opinion and finds that the securities described above are to be issued by a person which is organized and operated not for private profit but exclusively for religious, educational, benevolent or charitable purposes; that 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 efforts; that the request for exemption should be granted; and that the agent registration requirements of the Securities Act should be waived for A. C. Haake and Marvin M. Thompson; it is, therefore,

ADJUDGED AND ORDERED that the heretofore described investment obligations to be issued by Synod 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 that the agent registration requirements of the Securities Act be, and they hereby are, waived by A. C. Haake and Marvin M. Thompson.

CASE NO. SEC900109
SEPTEMBER 14, 1990

APPLICATION OF
THE HEART INSTITUTE
(A NON - PROFIT WASHINGTON CORPORATION)

For a Certificate 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 Heart Institute ("T.H.I.") dated September 4, 1990, requesting that certain Mortgage Bonds be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) pursuant to Va. Code § 13.1-514.1.B.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: T.H.I. is a non-profit corporation organized under the laws of the State of Washington for charitable, educational and scientific purposes; T.H.I. intends to offer and sell Mortgage Bonds, 1990 Series B dated November 1, 1990 in an approximate aggregate amount of $7,200,000 subject to terms and conditions as described in the Preliminary Prospectus dated August 23, 1990 filed with the application.

THE COMMISSION, based on the facts asserted by T.H.I. in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that the offer and sale of the securities described above are exempted from the securities registration requirements of the Securities Act pursuant to the provisions of Va. Code § 13.1-514.1.B and shall be made in Virginia only by broker-dealers which are so registered in this Commonwealth.

CASE NO. SEC900110
SEPTEMBER 19, 1990

APPLICATION OF
UNIVERSITY COMMUNITY HOSPITAL, INC.
(A NON - PROFIT FLORIDA CORPORATION)

For a Certificate 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 University Community Hospital, Inc. ("U.C.H.") dated August 25, 1990, requesting that certain Revenue and Refunding Bonds be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) pursuant to Va. Code § 13.1-514.1.B.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: U.C.H. is a non-profit corporation organized under the laws of the State of Florida for scientific, educational and charitable purposes; U.C.H. intends to offer and sell Revenue and Refunding Bonds, Series 1990, dated September 1, 1990 in an approximate aggregate amount of $80,810,000.00 subject to terms and conditions as described in the Preliminary Official Statement dated August 23, 1990 filed as part of this application.

THE COMMISSION, based on the facts asserted by U.C.H. in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that the offer and sale of the securities described above are exempted from the securities registration requirements of the Securities Act pursuant to the provisions of Va. Code § 13.1-514.1.B and shall be made in Virginia only by broker-dealers which are so registered in this Commonwealth.

CASE NO. SEC900113
SEPTEMBER 21, 1990

APPLICATION OF
SOUTHSIDE BAPTIST TEMPLE

For an Order of Exemption under Section 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, 1990, with exhibits attached thereto, of Southside Baptist Temple ("Southside"), requesting that certain Second 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 the agent registration requirements of the Securities Act be waived.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: Southside operates not for private profit but exclusively for religious, educational, benevolent or charitable purposes; Southside intends to offer and sell Second Deed of Trust Bonds in an approximate amount of $50,000 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 Southside who will not be compensated for their efforts; and said securities also may 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 does hereby ADJUDGE AND ORDER that the offer and sale of the securities described above be exempt from the securities registration requirements of the Securities Act pursuant to the provisions of Code Section 13.1-514.1.B and that the agent registration requirements of the Securities Act be waived for the members of the bond sales committee.

CASE NO. SEC900116
SEPTEMBER 21, 1990

APPLICATION OF
MORGAN STANLEY & CO. INCORPORATED

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 attached, of Morgan Stanley & Co. Incorporated ("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 Certificates of Participation (1990 Equipment Financing Program, Series II, 1990 Real Property Financing Program, Series E, F and G) ("Certificates") in the aggregate principal amount of $81,920,000 (subject to change), which represent proportionate interests in loan payments required to be made by the State of Oregon ("State"), acting by and through the Department of General Services. The State is borrowing funds for the purpose of financing the acquisition, construction and installation of prison and office building facilities as well as personal property and equipment for agencies of the State. The United States National Bank of Oregon, as Trustee, will perform primarily ministerial functions, which include executing and delivering the Certificates to investors, receiving from the State and distributing to investors the loan payments, and exercising any remedies available pursuant to law or granted under the loan agreements in the event of the State's default under the agreements.

It appears that, technically, the bank, as Trustee, will issue the Certificates; however, in terms of economic reality, the State 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 securities "issued . . . by [a] state . . . of the [United States]"; accordingly, it is

ORDERED that the securities heretofore described be, and they hereby are, exempted from the securities registration requirements of the Securities Act pursuant to Va. Code § 13.1-514(a)(1).

CASE NO. SEC900117
SEPTEMBER 26, 1990

APPLICATION OF
VIRGINIA HORSE CENTER FOUNDATION
(A NON - PROFIT, NON - STOCK CORPORATION)

For a Certificate 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 Virginia Horse Center Foundation ("VHCF") by counsel to the underwriters, Scott & Stringfellow Investment Corporation and Davenport & Co. of Virginia, Inc. dated September 14, 1990, requesting that a Guaranty to be issued in connection with certain Revenue Bonds be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) pursuant to Va. Code § 13.1-514.1.B.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: VHCF is a non-profit, non-stock corporation organized under the laws of the Commonwealth of Virginia for educational and other general purposes; including the construction, operation and maintenance of a "Virginia Horse Center" in the County of Rockbridge, Virginia; VHCF intends to offer and sell as a part of the Industrial Development Authority of Rockbridge County, Virginia, Virginia Horse Center Revenue Bonds, Series 1990 issue, a security, to wit: an unconditional Guaranty of the prompt payment, when due of all principal of, premium, if any, and interest on the Series 1990 Bonds.

THE COMMISSION, based on the facts asserted by VHCF in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that the offer and sale of the security described above is exempted from the securities registration requirements of the Securities Act pursuant to the provisions of Va. Code § 13.1-514.1.B and shall be made in Virginia only by broker-dealers which are so registered in this Commonwealth.

CASE NO. SEC900118
SEPTEMBER 26, 1990

APPLICATION OF
DOCTORS' COMMUNITY HOSPITAL, INC.
(A NON - PROFIT, NON - STOCK MARYLAND CORPORATION)

For a Certificate 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 Doctors' Community Hospital, Inc. ("DCH") dated September 11, 1990, requesting that certain Bonds be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) pursuant to Va. Code § 13.1-514.1.B.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: DCH is a non-profit corporation organized under the laws of the State of Maryland for charitable purposes; DCH intends to offer and sell Taxable Bonds due July 1, 2006 in an approximate aggregate amount of $8,950,000.00 subject to terms and conditions as set forth in the Preliminary Offering Memorandum filed with the application.

THE COMMISSION, based on the facts asserted by DCH in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that the offer and sale of the securities described above are exempted from the securities registration requirements of the Securities Act pursuant to the provisions of Va. Code § 13.1-514.1.B and shall be made in Virginia only by broker-dealers which are so registered in this Commonwealth.

CASE NO. SEC900119
SEPTEMBER 26, 1990

APPLICATION OF
LAUREL, INCORPORATED
(A NON - PROFIT VIRGINIA CORPORATION)

For a Certificate 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 Laurel, Incorporated ("Laurel") dated September 17, 1990, requesting that certain shares of preferred stock be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) pursuant to Va. Code § 13.1-514.1.B and that requirements as set forth in Va. Code §§ 13.1-504 and 13.1-505 be waived for officers of Laurel.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: Laurel is a not-for-profit corporation organized under the laws of the Commonwealth of Virginia for recreational purposes and to operate a country club; Laurel intends to offer and sell shares of preferred stock to its members not presently owning a share of common stock for $1.00 per share subject to terms and conditions as described in and with the application.

THE COMMISSION, based on the facts asserted by Laurel in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that the offer and sale of the securities described above are exempted from the securities registration requirements of the Securities Act pursuant to the provisions of Va. Code § 13.1-514.1.B and the provisions of Va. Code §§ 13.1-504 and 13.1-505 are waived with respect to officers of Laurel who will not receive any remuneration or other consideration for offering or selling the preferred stock.

CASE NO. SEC900121
OCTOBER 5, 1990

APPLICATION OF
FIRST CAPITAL HOLDINGS CORP.

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 14, 1990, with exhibit, as supplemented by letters, with attachments, dated August 20 and September 14, 1990, of First Capital Holdings Corp. ("Applicant") filed under Va. Code Section 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 and broker-dealer registration requirements of the Securities Act of Virginia pursuant to Va. Code § 13.1-514(b)(6). The pertinent information contained in the application is summarized as follows:

Applicant is involved in the settlement of a class action law suit filed against it and others. As part of the settlement of the case, Applicant has agreed to issue to the class plaintiffs and their counsel up to 369,632 warrants to purchase shares of Applicant's common stock. The settlement, as well as the plan for the distribution of the warrants, was approved by the court in which the case is pending after a hearing on the fairness and reasonableness of the terms of the settlement and of the plan of distribution. Pursuant to order of the court, Applicant will distribute the warrants in accordance with the plan of distribution. The court will retain jurisdiction of the case for purposes of implementation and administration of the settlement and of the distribution of the warrants, as well as for other reasons.

Va. Code § 13.1-514(b)(6) provides an exemption from the securities and broker-dealer registration requirements of the Act for "[a]ny transaction in his official capacity by a receiver, trustee in bankruptcy or other judicially appointed officer selling securities pursuant to court order."

THE COMMISSION, upon consideration of this matter, is of the opinion and finds that because the fairness and reasonableness of the proposed settlement and plan of distribution were approved, and continuing jurisdiction over the case will be retained, by the court in which the case is pending, Applicant's employees or agents who effect the distribution of the warrants will be deemed "judicially appointed officers" within the purview of Va. Code § 13.1-514(b)(6) for the purpose of this application. Accordingly, it is

ORDERED that the transactions described above are exempted from the securities and broker-dealer registration requirements of the Securities Act pursuant to Va. Code § 13.1-514(b)(6).

CASE NO. SEC900122
OCTOBER 9, 1990

APPLICATION OF
BURKE PRESBYTERIAN CHURCH

For an Order of Exemption under Section 13.1-514.1.B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application, with exhibits attached thereto, of Burke Presbyterian Church ("Burke") dated August 22, 1990, requesting that certain Revenue Bonds be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that the agent registration requirements of the Securities Act be waived.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: Burke operates not for private profit but exclusively for religious, educational, benevolent or charitable purposes; Burke intends to offer and sell Revenue Bonds in an approximate aggregate amount of $465,000 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 to Burke's members by a bond sales committee composed of members of Burke who will not be compensated for their efforts.

THE COMMISSION, based on the facts asserted by Burke in the written application and exhibits, is of the opinion and does hereby ADJUDGE AND ORDER that the offer and sale of the securities described above be exempt from the securities registration requirements of the Securities Act pursuant to the provisions of Code Section 13.1-514.1.B and that the agent registration requirements of the Securities Act be waived for the members of the bond sales committee.

CASE NO. SEC900124
OCTOBER 15, 1990

APPLICATION OF
NATIONAL INVESTMENT SERVICES OF AMERICA, INC.

For an order of exclusion under the Securities Act

ORDER

THIS MATTER came before the Commission for consideration upon the letter of National Investment Services of America, Inc. ("Applicant") dated September 27, 1989, with attachments, submitted under the Securities Act (Va. Code §§ 13.1-501 - 13.1-527.3) by its counsel. Applicant has requested that its application for registration as an investment advisor be granted and that the requirement of passing the Uniform Investment Adviser Law Examination, Series 65, be waived for its investment advisor representative, Mr. Thomas Tuschan. The letter will be treated as an application for a designation pursuant to clause (vi) of the definition of "investment advisor" (Va. Code § 13.1-501) that Applicant is a person not within the intent of such definition 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 is a large money manager and is registered with the U. S. Securities and Exchange Commission under the Investment Advisers Act of 1940 as well as with several states. The Virginia Electric and Power Co. Qualified Nuclear Decommissioning Trusts ("Trusts") desire to enter into an investment advisory agreement with Applicant. Pursuant to the agreement, Applicant will manage a portion of the assets of each of the four Trusts. The Trustee of the Trusts, which have total assets of approximately $100 million, is Crestar Bank. At this time, the Trusts will be Applicant's only clients in Virginia. Should Applicant intend to have other clients in the Commonwealth, it and its investment advisor representatives will comply with the applicable registration requirements of the Act prior to transacting such additional business.

THE COMMISSION, upon consideration of and in reliance on the information and representations 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 National Investment Services of America, Inc. be, and it hereby is, excluded from the definition of "investment advisor" contained in Va. Code § 13.1-501 (Cum. Supp. 1990) so long as its only clients in the Commonwealth of Virginia are the four Trusts described above 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. SEC900125
NOVEMBER 28, 1990

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
BLINDER, ROBINSON & COMPANY, INC.,
Defendant

FINAL ORDER AND JUDGMENT

THIS MATTER, instituted by Rule to Show Cause entered on October 15, 1990, was scheduled for hearing and was heard on November 19, 1990. At the hearing, the Division of Securities and Retail Franchising was represented by its counsel. The Defendant, Blinder, Robinson & Company, Inc. ("Blinder, Robinson"), neither filed a pleading in response to the Rule to Show Cause nor appeared or by counsel at the hearing.

The Commission, based upon the evidence herein, is of the opinion and finds:

(1) That an attested copy of the aforesaid Rule to Show Cause was duly served upon the Defendant pursuant to the provisions of Virginia Code § 13.1-517;

(2) That Blinder, Robinson, having failed to file a responsive pleading and having failed to appear at the hearing, is in default;

(3) That Blinder, Robinson is a broker-dealer and has been continuously so registered under the Securities Act of Virginia (Virginia Code §§ 13.1-501 through 13.1-527.3 (1989 and Cum. Supp. 1990)) since October 1986;

(4) That Margaretta Childs, an employee of the Defendant not registered as an agent under the Securities Act, sold securities in this Commonwealth to a Virginia resident in approximately 18 separate transactions;

(5) That Blinder, Robinson has failed to furnish records initially requested by the Division on November 3, 1989, concerning the conduct of Blinder, Robinson's securities business;

(6) That the aforesaid activities constitute unlawful acts as set forth in Virginia Code § 13.1-504B and grounds for revocation of broker-dealer registration pursuant to paragraph 5 of Virginia Code § 13.1-506; and

(7) That Blinder, Robinson should have its broker-dealer registration revoked on account of having conducted such activities; it is, therefore,

ORDERED:

(1) That pursuant to paragraph 5 of Virginia Code § 13.1-506 and Virginia Code § 13.1-521B, the broker-dealer registration of Blinder, Robinson be, and it hereby is, revoked; and

(2) That as there appears nothing further to be done in this proceeding, this case is dismissed from the docket and the papers be placed in the file for ended causes.

CASE NO. SEC900126
OCTOBER 23, 1990

APPLICATION OF
BOARD OF CHURCH EXTENSION AND HOME MISSIONS OF THE CHURCH OF GOD, INC.
(A NOT - FOR - PROFIT INDIANA CORPORATION)

For a Certificate of Exemption pursuant to Section 13.1-514.1.B of the Code of Virginia (1950)

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated May 1, 1990, with exhibits attached thereto, of Board of Church Extension and Home Missions of the Church of God, Inc. (the "Board") requesting that certain Investment Notes, Family Savings Bonds and Conditional Gifts 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: The Board is a not-for-profit corporation organized under the laws of the State of Indiana for religious and benevolent purposes; The Board intends to offer and sell securities in an approximate aggregate amount of three hundred thousand dollars ($300,000.00) on terms and conditions as more fully described in the Offering Circular filed as a part of the application.

THE COMMISSION, based on the facts asserted by the Board in the written application and exhibits, is of the opinion and does hereby ADJUDGE AND ORDER that the offer and sale of the securities described above be exempt from the securities registration requirements of the Securities Act pursuant to the provisions of Code Section 13.1-514.1.B and that the securities shall be offered and sold in Virginia only by agents so registered under the Securities Act.

CASE NO. SEC900137
NOVEMBER 19, 1980

APPLICATION OF
LIBERTY UNIVERSITY, INC. (A NON - PROFIT, NON - STOCK CORPORATION)

For a Certificate of Exemption pursuant to Section 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 Liberty University, Inc. ("Liberty") by counsel to the underwriter, Kemper Securities Group, Inc. dated October 26, 1990, 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 Section 13.1-514.1.B.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: Liberty is a non-profit, non-stock corporation organized under the laws of the Commonwealth of Virginia exclusively for educational and religious purposes; Liberty intends to offer and sell $61,000,000 aggregate principal amount of First Mortgage Bonds consisting of $40,000,000 aggregate principal amount of Class A Bonds due October 15, 2020 and $21,000,000 aggregate principal amount of Class B Bonds due October 15, 2020 on terms and conditions as more fully described in the Offering Circular filed as part of the application.

THE COMMISSION, based on the facts asserted by Liberty in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that the offer and sale of the securities described above be exempted from the securities registration requirements of the Securities Act pursuant to the provisions of Virginia Code Section 13.1-514.1.B and shall be made in Virginia only by broker-dealers which are so registered under the Securities Act.

CASE NO. 900140 Formerly SEC860082
NOVEMBER 21, 1990

APPLICATION OF
LUTHERAN CHURCH EXTENSION FUND - MISSOURI SYNOD

For an Order of Exemption under Section 13.1-514.1.B of the Code of Virginia, as amended

ORDER REVOKING EXEMPTION

BY ORDER OF EXEMPTION dated October 9, 1986, an exemption from the securities registration requirements of the Securities Act pursuant to Virginia Code § 13.1-514.1.B was granted in respect of the Flexible Investment Certificates, the Fixed Rate Term Notes and the Floating Rate Term Notes issued by the Lutheran Church Extension Fund-Missouri Synod ("LCEF"). In addition, the order granted a waiver of the agent registration requirements of the Securities Act on behalf of the officers of LCEF, and LCEF employees working under the officers' supervision, who were to offer and sell the aforesaid Certificates and Notes.

IT APPEARING that LCEF, by letter dated September 4, 1990, has requested the Commission to terminate the provisions of the Order of Exemption and that good cause for such termination has been shown; it is, therefore,

ORDERED that the exemption and waiver described above and granted by Order of Exemption dated October 9, 1986, be, and they hereby are, revoked as of the date hereof.

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 1989 and 1990.

VIRGINIA CORPORATIONS

	1989	1990
Certificates of Incorporation issued	18,016	17,376
Corporations voluntarily terminated	1,018	920
Corporations involuntarily terminated	523	835
Corporations automatically terminated	10,980	12,048
Reinstatements of terminated corporations	1,617	1,668
Charters amended	3,120	2,767
Active Stock Corporations	108,108	112,203
Active Non-Stock Corporations	18,704	19,629
Total Active Virginia Corporations	126,812	131,832

FOREIGN CORPORATIONS

Certificates of Authority to do business in Virginia issued	3,693	3,612
Voluntary withdrawals from Virginia	339	368
Certificates of Authority automatically revoked	1,621	1,842
Certificates of Authority involuntarily revoked	149	151
Reentry of corporations with surrendered or revoked certificates	264	470
Charters amended	1,006	1,027
Active Stock Corporations	22,778	23,824
Active Non-Stock Corporations	1,242	1,318
Total Active Foreign Corporations	24,020	25,142
Total Active (Foreign and Domestic) Corporations	150,832	156,974

LIMITED PARTNERSHIPS

Limited Partnership Certificates filed	1,586	1,090
Limited Partnership Certificates amended	929	1,031
Limited Partnership Certificates cancelled	142	197
Total Active Limited Partnerships	5,497	6,392

MOTOR CARRIER DIVISION

BROKERS' LICENSES ISSUED DURING 1990

Name	Location	License Number
Patsy Prevette Wyatt, t/a Patsy's Tours	Ringgold, Virginia	B-126
Tri City Tours Inc.	Virginia Beach, Virginia	B-127
Joan E. Nolan, t/a Joan's Travel Tours	Callao, Virginia	B-128
Elizabeth Mallory, t/a Express Travel	Lawrenceville, Virginia	B-129
Ann Marie Rehmert, t/a Rainbow Charter and Tours	Virginia Beach, Virginia	B-130
Earva Lee Jones-Sumblin, t/a "Grup" Opportunity Travel	Franklin, Virginia	B-131
K & M Travel and Tours, Ltd.	Cobbs Creek, Virginia	B-132

COMMON CARRIERS OF PASSENGERS BY MOTOR VEHICLE

Certificates of Public Convenience and Necessity issued during 1990

Name	Location	Certificate Number
Tri State Casino Tours Inc. of Va.	Falls Church, Virginia	P-2585
V.I.P. and Celebrity Limousines, Inc.	Williamsburg, Virginia	P-2586

HOUSEHOLD GOODS CARRIERS
Certificates of Public Convenience and Necessity issued 1990

Bos Moving, Inc.	Norfolk, Virginia	HG-458
Joe Moholland Inc.	Woodbridge, Virginia	HG-460
Graebel/Washington, D.C.	Springfield, Virginia	HG-461
PVL, Inc.	Richmond, Virginia	HG-462
Alvin B. Stokes, Inc.	Front Royal, Virginia	HG-463
Martin Storage Co., Inc.	Hagerstown, Maryland	HG-464
Town and County Movers, Inc.	Rockville, Maryland	HG-465

LIMOUSINE CARRIERS
Certificates of Public Convenience and Necessity issued during 1990

George T. Harris, IV, t/a Around Town Limousine Service	Blacksburg, Virginia	LM-48
Wali Abdullah Hassan, t/a ATW Limousine Service	Woodbridge, Virginia	LM-49
Ramey Transportation Services, Inc., t/a Ramey Limousine Service	Warrenton, Virginia	LM-50
Airport Taxi Service, Inc.	Newport News, Virginia	LM-51
G.E.M. of Virginia, Inc.	Fredericksburg, Virginia	LM-52
A 1st Class Limousine, Inc.	Clifton, Virginia	LM-53
Frank Hines, Jr., t/a Executive Limousine Service	Mechanicsville, Virginia	LM-54
Anderson Limousine Service, Inc.	McLean, Virginia	LM-55
Atlantic Limousine of Richmond Incorporated	Richmond, Virginia	LM-56
Luxury Limousine, Ltd.	Harrisonburg, Virginia	LM-57
Albert W. Durant	Williamsburg, Virginia	LM-58
Beach Limousine Services, Inc.	Virginia Beach, Virginia	LM-59
Waldron Corporation of Virginia, t/a Elite Limousines	Chesapeake, Virginia	LM-60
A-1 Limousine Service, Inc.	Falls Church, Virginia	LM-61
Act 1 Limousine Service, Inc.	Burke, Virginia	LM-62
Earl R. Throckmorton, t/a Celebrities International	Richmond, Virginia	LM-63
Colonial Limousine Services, Inc.	Williamsburg, Virginia	LM-64
Randolph E. & Kimberly Pendleton	Roanoke, Virginia	LM-65
Purr...fect Limousine, Inc.	Dale City, Virginia	LM-67
Elan Limousine, Inc.	Alexandria, Virginia	LM-69
Diplomat Limousine & Livery Service, Inc.	Alexandria, Virginia	LM-70
Francis T. Brown, t/a Cartier Limousine Service	Roanoke, Virginia	LM-71
Ocean Front Limousine Service, Inc.	Virginia Beach, Virginia	LM-72
Willie H. Seay	Richmond, Virginia	LM-73
Jim Garth Limousine and Transportation Co.	Charlottesville, Virginia	LM-74
Celebrity Transportation, Inc.	Gloucester, Virginia	LM-75
Special Interest Leasing Company, Inc., d/b/a Carrington Limousines	Fairfax, Virginia	LM-76
Williamsburg Classic Limousine, Inc.	Williamsburg, Virginia	LM-77
Alonza L. Hassell, Sr., t/a Fortune 500 Limousine	Norfolk, Virginia	LM-78
Sam J. Williams	Fort Lee, Virginia	LM-79
Wilbert H. Patron, Sr., t/a Patron's Limousine Service	Richmond, Virginia	LM-80
What the Sam Hill Limousine Service, Inc.	Richmond, Virginia	LM-81
Bondella Corporation	Virginia Beach, Virginia	LM-82
Adelio Espinoza	Arlington, Virginia	LM-83
Club Limo, Inc.	Virginia Beach, Virginia	LM-85
E.Z.S., Inc., t/a Majestic Limousine Service	Falls Church, Virginia	LM-86
The Coach Stop Limousine Services, Inc.	Middlesburg, Virginia	LM-87
Zuber Limousine Service, Inc.	Arlington, Virginia	LM-89
Ronald E. Rigsbee, t/a Rigsbee and Son Limousine Service	Herndon, Virginia	LM-90
Auto-Mart USA, Inc. and Anthony Fogliani, t/a Automart Limousine Service	Charlottesville, Virginia	LM-91
Vaden Robinson, t/a Touch of Class Limousine Service	Richmond, Virginia	LM-92
Hydro-Tap Service, Inc., t/a The Limousine Service	Richmond, Virginia	LM-94
Formal Enterprises Inc., t/a Formal Limousine and Grooms Corner	Richmond, Virginia	LM-95
Executive Limousine Service, Inc.	Winchester, Virginia	LM-96
J & B Enterprises, Inc.	Charlottesville, Virginia	LM-97
Harrison's Limousine Service	Petersburg, Virginia	LM-98
Limousines of Richmond, Inc.	Richmond, Virginia	LM-99
Virginia Coach Company, Inc.	Purcellville, Virginia	LM-100
Defilippi Enterprises, Inc., t/a Personally Yours Enterprises Incorporated	Manassas, Virginia	LM-101
John Hamill Corp., t/a Tuxedo Limousine Service	Manassas, Virginia	LM-102
True Brit, Inc.	Clifton, Virginia	LM-103
Weldon's Funeral Home, t/a Weldon's Limousine Service	Oldhams, Virginia	LM-104
London Transport of Richmond, Ltd.	Richmond, Virginia	LM-105
Ambassador Limousine Service, Inc.	Manassas, Virginia	LM-106
Checker Cab Company, Inc.	Hampton, Virginia	LM-107
William Davis, t/a Tri-Bill Limousine Service	Newport News, Virginia	LM-110

Montha Ok, t/a Paradise Limousine Service	Alexandria, Virginia	LM-111
Unlimited Limo, Inc.	Winchester, Virginia	LM-112
Gary Alan Baker, t/a Landmark Limousine Service	Arlington, Virginia	LM-113
Pedro E. Retes, t/a Intimacy Limousine Service	Herndon, Virginia	LM-114
Escort Limousine Services, Inc.	Reston, Virginia	LM-115
Luxury Limousine Service, Inc.	Springfield, Virginia	LM-116
Top Hat Limos, Inc., t/a Above and Beyond Limousine Service	Alexandria, Virginia	LM-117
Michael J. Brown, t/a Specialty Limousine Service	Mathews, Virginia	LM-118
Mark O. Monroe, t/a Monroe Limousine Service	Falls Church, Virginia	LM-119
Arsenia M. Highsmith, t/a Arnell's Limousine Service	Hampton, Virginia	LM-120
Atlantic Limousine, Inc.	Virginia Beach, Virginia	LM-121
Land Cruises, Inc.	Fredericksburg, Virginia	LM-122
International Limousine Service, Inc.	Baltimore, Maryland	LM-123
Paradise Limousine Service, Inc.	Alexandria, Virginia	LM-125
Mark McGlennon, t/a Blue Knight Limousine Service	Woodbridge, Virginia	LM-126
Christoudoulou Hadjichristoudoulou, t/a Captain of Pentagon Limousine	Alexandria, Virginia	LM-127
William D. Mathis	Arlington, Virginia	LM-129
George Family Group, Inc.	Richmond, Virginia	LM-130
Old Mill Manner, Inc.	Winchester, Virginia	LM-135
Elite Limousine Service, Inc.	Falls Church, Virginia	LM-137

PETROLEUM TANK TRUCK CARRIERS
Certificates of Public Convenience and Necessity issued during 1990

Asphalt Transport, Inc.	Centreville, Virginia	K-127
Continental Tank Lines, Ltd.	Fairfax, Virginia	K-128
Tank Lines, Inc.	Virginia Beach, Virginia	K-129
Consumer Distributors, Inc.	Berkeley Springs, W Virginia	K-130

SIGHT-SEEING AND/OR CHARTER PARTY CARRIERS BY BOAT
Certificates of Public Convenience and Necessity issued during 1990

Rowe Marine, Inc.	Achilles, Virginia	SS-W-44 SS-W-43

SIGHT-SEEING CARRIERS BY MOTOR VEHICLE
Certificates of Public Convenience and Necessity issued during 1990

J. Meak Barton, t/a V.I.P. Tours of Charlottesville	Arrington, Virginia	S-55

SPECIAL OR CHARTER PARTY CARRIERS
Certificates of Public Convenience and Necessity issued during 1990

Mid-Atlantic Charter Service	Sandston, Virginia	B-386
Executive Mobile Service, Inc.	Woodbridge, Virginia	B-387
James Hunter Bus Service, Inc., t/a Hunter Bus Service	Fredericksburg, Virginia	B-388
Lake Gaston Bus Service, Inc.	Littleton, North Carolina	B-389
Luv Bus, Inc.	Charlottesville, Virginia	B-390
Dominion Charter Co., Inc.	Earlysville, Virginia	B-391
Eagle Parlor Tours of Va., Inc.	Danville, Virginia	B-392
Schrock Sightseeing Service, Inc.	Winchester, Virginia	B-393

COMPARISON OF REVENUES DEPOSITED BY THE CLERK'S OFFICE FOR THE FISCAL YEARS ENDING JUNE 30, 1989 AND JUNE 30, 1990

General Fund	1989	1990	Difference
Security Registration Fee	10,000.00	10,775.00	+775.00
Charter Fees	1,283,530.70	1,251,307.60	-32,223.10
Entrance Fees	1,170,596.80	1,091,138.80	-79,458.00
Filing Fees	795,587.08	761,003.00	-34,584.08
Registered Name	7,632.00	2,312.00	-5,320.00
Registered Office and Agent	171,780.00	178,475.00	+6,695.00
Service of Process	30,930.00	33,345.00	+2,415.00
Copy & Recording Fees	267,957.50	268,753.25	+795.75
Annual Report Publication	11,240.21	3,352.88	-7,887.33
Miscellaneous Sales	1,900.00	.00	-1,900.00
Statewide Cost Allocation	8,135.17	3,711.59	-4,423.58
TOTAL	3,759,289.46	3,604,174.12	-155,115.34

Special Fund			
Domestic-Foreign	12,290,183.90	12,737,196.99	+447,013.09
Limited Partnership Registration Fee	160,705.00	226,275.00	+65,570.00
Reserved Name - Limited Partnership	37,425.00	33,480.00	-3,945.00
Certificate Limited Partnership	146,490.00	110,375.00	-36,115.00
Application Reg. Foreign L. P.	30,510.00	21,600.00	-8,910.00
SCC Bad Check Fee	2,375.00	2,929.49	+554.49
Interest on Del. Tax	1,990.62	1,283.71	-706.91
Penalty on Non-Pay Taxes by Due Date	309,079.47	383,011.70	+73,932.23
Recovery of Prior Year Expenses	1,160.80	990.42	-170.38
Miscellaneous Revenue	135,719.52	69,318.85	-66,400.67
TOTAL	13,115,639.31	13,586,461.16	+470,821.85
Valuation Fund			
Recovery of Prior year Expenses	.00	2,539.00	+2,539.00
Roadway Applicaton Fee	.00	45,000.00	+45,000.00
TOTAL	.00	47,539.00	+47,539.00
Banking Fund			
Mortgage Broker License Application	150.00	.00	-150.00
Recovery of Prior Year Expenses	.00	60.00	+60.00
TOTAL	150.00	60.00	-90.00
Motor Carrier Special Fund			
Recovery of Prior Year Expenses	.00	42.52	+42.52
TOTAL	.00	42.52	+42.52
Trust & Agency Fund			
Fines Imposed by SCC	.00	1,940.00	+1,940.00
TOTAL	.00	1,940.00	+1,940.00
Highway Fund	4,335.32	.00	-4,335.32
TOTAL	4,335.32	.00	-4,335.32
Federal Funds			
Receipt of Agency Indirect Cost of Grant/Contract Administration	66,519.96	31,081.92	-35,438.04
Railroad Safety	20,743.87	.00	-20,743.87
Gas Pipeline Safety	27,636.00	16,207.05	-11,428.95
TOTAL	114,899.83	47,288.97	-67,610.86
GRAND TOTAL	16,994,313.92	17,287,505.77	+293,191.85

COMPARISON OF FEES COLLECTED BY THE BUREAU OF FINANCIAL INSTITUTIONS FOR FISCAL YEARS ENDING JUNE 30, 1989 AND 1990

	1988/89	1989/90
Banks	$3,504,248	$4,276,342
Savings Institutions	640,735	687,650
Consumer Finance Licensees	787,026	814,360
Credit Unions	340,101	356,839
Trust Subsidiaries	63,281	38,250
Industrial Loan Associations	19,130	28,790
Money Order Sellers Licensees	3,350	5,300
Debt Counseling Agency Licensees	900	900
Mortgage Lenders and Brokers	277,954	449,765
Miscellaneous Collections	4,011	3,761
TOTAL	$5,640,736	$6,661,957

COMPARISON OF FEES AND TAXES COLLECTED BY THE BUREAU OF INSURANCE FOR THE FISCAL YEARS ENDING JUNE 30, 1989 AND JUNE 30, 1990

Kind	1989	1990	Increase or (Decrease)
General Fund			
Gross Premium Taxes of Insurance Companies	$190,281,656.41	$178,618,960.04	($11,622,696.37)
Fraternal Benefit Societies Licenses	460.00	480.00	20.00
Hospital, Medical and Surgical Plans & Salesmen's Licenses	21,413.00	29,560.00	8,147.00
Interest on Delinquent Taxes	2,069.54	1,003.00	(1,066.54)
Penalty on non-payment of taxes by due date	149,884.41	288,413.73	138,529.32
Special Fund			
Company License Application Fee	36,400.00	23,600.00	(12,800.00)
Prepaid Legal Service License Fee	0.00	0.00	0.00
Health Maintenance Organization License Fee	500.00	500.00	0.00
Automobile Club/Agent Licenses	6,278.00	5,418.00	(860.00)
Insurance Premium Finance Companies Licenses	9,500.00	13,200.00	3,700.00
Agents Appointment Fees	3,117,218.00	4,582,033.00	1,464,815.00
Surplus Lines Broker Licenses	10,625.00	11,550.00	925.00
Agents License Application Fees	188,880.00	205,725.00	16,845.00
Recording, Copying, and Certifying Public Records Fee	2,215.00	6,548.25	4,333.25
Assessments To Insurance Companies for Maintenance of the Bureau of Insurance	7,385,909.06	7,770,242.96	384,333.96
Miscellaneous Revenues	30.00	55,807.81	55,777.81
Recovery of Prior Year Expenses	90,663.63	8,073,592.13	7,982,982.50
Fire Programs Fund	7,977,300.13	7,973,123.43	(4,176.70)
Licensing P&C Consultants	24,150.00	30,650.00	6,500.00
SCC Bad Check Fee	50.00	100.00	50.00
Fines imposed by State Corporation Commission	260,400.00	521,500.00	261,150.00
TOTAL	$209,565,602.18	$208,212,057.35	($1,353,544.77)

COMPARISON OF FEES AND TAXES COLLECTED FROM MOTOR VEHICLE CARRIERS FOR THE YEARS ENDING DECEMBER 31, 1989 AND DECEMBER 31, 1990

Kind	1989	1990	Increase or Decrease
Motor Fuel Road Tax	$28,114,768.00	$28,069,256.95	-45,511.05
Registration Fees	7,239,733.00	7,100,573.58	-139,159.42
TOTAL	$35,354,501.00	$35,169,830.53	-184,670.47

COMPARISON OF ASSESSMENT OF PUBLIC SERVICE CORPORATIONS FOR THE YEARS 1989 AND 1990

Class of Company	Value of all Taxable Property Including Rolling Stock 1989	1990	Increase or (Decrease)
Electric Light & Power Corporations	$10,181,524,073.00	$10,662,410,481.00	$480,886,408.00
Gas Corporations	586,650,239.00	669,771,547.00	83,121,308.00
Motor Vehicle Carriers (Rolling Stock only)	72,392,307.40	79,333,588.47	6,941,281.07
Telecommunications Companies	5,060,587,856.00	5,476,250,651.00	415,662,795.00
Water Corporations	86,279,460.00	84,840,041.00	(1,439,419.00)
TOTAL	$15,987,433,935.40	$16,972,606,308.47	$985,172,373.07

COMPARISON OF ASSESSMENT OF STATE TAXES OF PUBLIC SERVICE CORPORATIONS FOR THE YEARS 1989 AND 1990

Class of Company	The Yearly Francise or License Tax 1989	1990	Increase or (Decrease)
Electric Light & Power Corporations	$77,854,834.37	$82,498,487.39	$4,643,653.02
Gas Corporations	10,302,038.50	10,916,977.26	614,938.76
Telegraph Company	34,473.71		(34,473.71)
Telephone Companies	40,253,262.97		(40,253,262.97)
Water Corporations	526,892.07	567,299.37	40,407.30
TOTAL	$128,971,501.62	$93,982,764.02	($34,988,737.60)

Pursuant to Section 58.1-400.1 effective for tax years 1990 and after Telephone and Telegraph Companies were combined to create Telecommunications Companies and are assessed by the Department of Taxation.

COMPARISON OF ASSESSMENT OF ADDITIONAL ANNUAL STATE TAX FOR VALUATION AND RATE MAKING OF CERTAIN CLASSES OF UTILITY COMPANIES FOR THE YEARS 1989 AND 1990

Class of Company	1989	1990	Increase or (Decrease)
Electric Light & Power Corporations	$5,253,769.98	$5,662,427.48	$408,657.50
Gas Corporations	669,632.51	709,603.50	39,970.99
Motor Vehicle Carriers	75,270.12	74,956.83	(313.29)
Railroad Companies	739,863.22	786,918.80	47,055.58
Telecommunications Companies	2,374,427.94	2,577,640.09	203,212.15
Virginia Pilots Association	12,472.54	13,525.57	1,053.03
Water Corporations	34,247.94	36,874.45	2,626.51
TOTAL	$9,159,684.25	$9,861,946.72	$702,262.47

Railroad Companies assessed at nine-hundredths of one percent and all other companies at thirteen-hundredths of one percent.

COMPARATIVE STATEMENT OF ASSESSED VALUES OF PROPERTIES OF PUBLIC SERVICE CORPORATIONS AS ASSESSED BY THE STATE CORPORATION COMMISSION

Cities	1989	1990	Increase or (Decrease)
Alexandria	$378,142,591	$409,187,602	$31,045,011
Bedford	6,224,067	6,030,661	(193,406)
Bristol	8,195,051	7,887,723	(307,328)
Buena Vista	7,109,395	6,935,318	(174,077)
Charlottesville	78,875,101	76,509,838	(2,365,263)
Chesapeake	464,170,849	502,009,747	37,838,898
Clifton Forge	6,622,219	6,970,371	348,152
Colonial Heights	18,055,072	20,399,176	2,344,104
Covington	13,660,133	13,777,613	117,480
Danville	37,976,079	36,174,660	(1,801,419)
Emporia	12,774,373	15,222,007	2,447,634
Fairfax	70,509,775	73,086,631	2,576,856
Falls Church	13,884,032	13,894,951	10,919
Franklin	6,442,989	6,303,067	(139,922)
Fredericksburg	35,023,579	36,964,101	1,940,522
Galax	8,961,577	9,204,128	242,551
Hampton	160,450,001	182,997,505	22,547,504
Harrisonburg	21,609,377	21,751,477	142,100
Hopewell	48,716,483	52,040,619	3,324,136
Lexington	9,788,557	9,068,822	(719,735)
Lynchburg	112,220,702	110,378,684	(1,842,018)
Manassas	35,802,453	51,835,187	16,032,734
Manassas Park	4,621,031	5,220,822	599,791
Martinsville	21,390,190	20,386,789	(1,003,401)

Newport News	191,662,129	225,554,177	33,892,048
Norfolk	354,145,439	384,989,852	30,844,413
Norton	18,772,308	19,841,785	1,069,477
Petersburg	63,453,383	65,892,332	2,438,949
Poquoson	6,951,492	6,776,881	(174,611)
Portsmouth	108,230,840	119,738,942	11,508,102
Radford	12,731,103	12,952,584	221,481
Richmond	579,649,367	621,622,112	41,972,745
Roanoke	160,241,948	171,782,586	11,540,638
Salem	21,101,200	21,181,940	80,740
South Boston	10,715,329	12,494,568	1,779,239
Staunton	38,600,800	39,070,074	469,274
Suffolk	79,093,637	89,610,711	10,517,074
Virginia Beach	424,422,165	482,820,182	58,398,017
Waynesboro	25,862,086	25,097,623	(764,463)
Williamsburg	24,641,400	27,062,519	2,421,119
Winchester	27,754,773	26,704,006	(1,050,767)
Total Cities	$3,729,255,075	$4,047,430,373	$318,175,298

COMPARATIVE STATEMENT OF ASSESSED VALUES OF PROPERTIES OF PUBLIC SERVICE CORPORATIONS AS ASSESSED BY THE STATE CORPORATION COMMISSION

Counties	1989	1990	Increase or (Decrease)
Accomack	$58,933,959	$66,136,250	$7,202,291
Albemarle	126,596,104	130,809,834	4,213,730
Alleghany	22,283,457	21,404,555	(878,902)
Amelia	15,935,303	15,277,184	(658,119)
Amherst	32,230,424	44,329,593	12,099,169
Appomattox	13,691,703	18,042,198	4,350,495
Arlington	622,364,487	687,144,525	64,780,038
Augusta	114,676,223	117,311,489	2,635,266
Bath	1,625,138,616	1,473,594,551	(151,544,065)
Bedford	117,238,613	109,577,578	(7,661,035)
Bland	8,493,953	10,916,985	2,423,032
Botetourt	64,005,988	63,199,799	(806,189)
Brunswick	23,524,786	21,935,732	(1,589,054)
Buchanan	39,987,201	39,276,775	(710,426)
Buckingham	24,920,456	29,051,708	4,131,252
Campbell	85,325,523	85,659,528	334,005
Caroline	48,081,897	47,784,166	(297,731)
Carroll	37,387,106	37,143,958	(243,148)
Charles City	20,094,551	19,060,444	(1,034,107)
Charlotte	15,933,997	16,008,228	74,231
Chesterfield	755,718,719	820,286,226	64,567,507
Clarke	15,147,689	18,494,413	3,346,724
Craig	7,006,631	8,104,948	1,098,317
Culpeper	54,128,729	53,695,563	(433,166)
Cumberland	14,902,750	19,434,132	4,531,382
Dickenson	26,190,414	29,792,378	3,601,964
Dinwiddie	40,364,882	40,363,973	(909)
Essex	13,218,133	13,501,338	283,205
Fairfax	1,327,942,110	1,530,168,551	202,226,441
Fauquier	104,456,054	106,972,349	2,516,295
Floyd	21,723,067	22,437,893	714,826
Fluvanna	116,696,113	104,821,303	(11,874,810)
Franklin	65,089,262	65,578,063	488,801
Frederick	94,974,631	111,460,581	16,485,950
Giles	87,277,741	80,194,476	(7,083,265)
Glouchester	40,189,874	52,607,764	12,417,890
Goochland	36,811,071	38,993,567	2,182,496
Grayson	17,706,790	19,788,090	2,081,300
Greene	11,895,251	11,764,425	(130,826)
Greensville	11,673,164	15,071,940	3,398,776
Halifax	44,317,704	41,344,296	(2,973,408)
Hanover	139,501,164	129,178,083	(10,323,081)
Henrico	367,807,367	474,950,008	107,142,641

Henry	73,802,947	67,522,440	(6,280,507)
Highland	14,929,947	14,565,633	(364,314)
Isle of Wight	53,016,141	54,518,133	1,501,992
James City	66,970,054	75,028,637	8,058,583
King George	19,712,033	27,651,730	7,939,697
King and Queen	8,108,336	9,931,118	1,822,782
King William	22,355,456	20,493,972	(1,861,484)
Lancaster	23,256,609	25,838,282	2,581,673
Lee	39,304,919	41,212,751	1,907,832
Loudoun	175,969,140	212,453,077	36,483,937
Louisa	1,663,383,734	1,607,093,295	(56,290,439)
Lunenburg	17,827,879	16,921,276	(906,603)
Madison	17,963,076	15,976,176	(1,986,900)
Mathews	12,286,629	12,219,615	(67,014)
Mecklenburg	46,940,525	43,537,764	(3,402,761)
Middlesex	18,925,764	19,245,127	319,363
Montgomery	63,908,801	61,393,293	(2,515,508)
Nelson	28,509,332	28,423,513	(85,819)
New Kent	23,721,824	27,279,093	3,557,269
Northampton	20,574,325	23,252,160	2,677,835
Northumberland	18,057,207	16,307,691	(1,749,516)
Nottoway	21,929,534	23,865,920	1,936,386
Orange	40,697,442	43,529,401	2,831,959
Page	28,543,355	29,028,350	484,995
Patrick	20,812,895	19,672,818	(1,140,077)
Pittsylvania	94,010,344	110,122,492	16,112,148
Powhatan	24,887,276	31,165,358	6,278,082
Prince Edward	20,744,498	20,795,775	51,277
Prince George	29,430,354	31,264,373	1,834,019
Prince William	567,090,523	671,144,458	104,053,935
Pulaski	49,056,138	52,880,068	3,823,930
Rappahannock	13,930,262	11,501,174	(2,429,088)
Richmond	17,784,537	16,110,540	(1,673,997)
Roanoke	95,062,712	106,551,294	11,488,582
Rockbridge	39,336,545	37,335,691	(2,000,854)
Rockingham	70,790,212	82,422,831	11,632,619
Russell	150,360,914	146,090,890	(4,270,024)
Scott	29,369,133	28,822,911	(546,222)
Shenandoah	39,596,657	40,014,024	417,367
Smyth	49,821,228	49,638,942	(182,286)
Southampton	24,844,563	30,071,944	5,227,381
Spotsylvania	89,931,938	90,650,718	718,780
Stafford	73,484,829	82,765,385	9,280,556
Surry	987,364,241	1,123,735,145	136,370,904
Sussex	22,663,438	24,931,089	2,267,651
Tazewell	49,110,849	48,681,230	(429,619)
Warren	20,367,967	18,916,297	(1,451,670)
Washington	47,298,086	46,769,558	(528,528)
Westmoreland	25,322,907	25,331,333	8,426
Wise	54,056,515	54,811,262	754,747
Wythe	52,295,299	51,172,147	(1,123,152)
York	374,683,027	412,514,713	37,831,686
Total Counties	$12,185,786,553	12,845,842,347	660,055,794
Total Cities & Counties	$15,915,041,628	$16,893,272,720	$978,231,092

COMPARISON OF FEES COLLECTED BY THE DIVISION OF SECURITIES AND RETAIL FRANCHISING FOR THE YEARS ENDING DECEMBER 31, 1989 AND DECEMBER 31, 1990

Kind	1989	1990	Increase or (Decrease)
Securities Act	$3,700,081.00	$3,506,048.70	$(194,032.30)
Retail Franchising	147,558.00	145,900.00	(1,658.00)
Trademarks-Service Marks	24,893.00	24,762.40	(130.60)
Fines	383,000.00	102,250.00	(280,750.00)
Bad Check Fee	-0-	-0-	-0-
Total	$4,255,532.00	$3,778,961.10	$(476,570.90)

PROCEEDINGS BY DIVISIONS DURING THE YEAR 1990

DIVISION OF PUBLIC UTILITY ACCOUNTING

The following statistical data summarizes Rate 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 1990.

General Rate Cases	
Electric Companies (Investor Owned)	1
Electric Cooperatives	5
Gas Companies	2
Telephone Companies	0
Telephone Cooperatives	0
Water & Sewer Companies	5
Total General Rate Cases	13
Expedited Rate Cases	
Electric Companies	2
Electric Cooperatives	0
Gas Companies	2
Telephone Companies	0
Water & Sewer Companies	0
Total Expedited Rate Cases	4
Annual Informational Filings	
Electric Companies	1
Gas Companies	3
Telephone Companies	0
Water & Sewer Companies	0
Total Annual Informational Filings	4
Allocation/Separations Studies	
Electric	0
Gas	0
Telephone	1
Fuel Audits - Electric Companies	3
Compliance Audits	1
Special Studies	5

During the year 1990 the Division of Public Utility Accounting received applications, filed under the Public Utilities Securities Law, the Public Utilities Affiliates Law and the Utility Transfers Act pertaining to public utilities, for processing (analysis and study). Written reports were made to the Commission recommending action and orders drawn:

Common Stock	$202,104,899
Preferred Stock	-0-
Partnership Units	-0-
Total Equity Investments	$202,104,899
Bonds	$965,000,000
Notes	$1,192,150,885
Other Debt	$26,000,000
Total Debt	$2,183,150,885
Total Amount of Securities	$2,385,255,784
Number of Securities Cases	35
Number of Asset Transfer Cases	6
Number of Affiliates Cases:	
Service Agreements	12
Lease Agreements	1
Gas Purchases	1
Sale of Property	1
Sale of Property/Service Agreement	4
Advances of Funds	3

Facilities Agreement	1
Purchase of Securities	1
Cash Contributions	1
Total Affiliates Cases	25
Total Number of Cases	66

The Commission's Division of Public Utility Accounting consists of the following personnel on December 31, 1990.

Filled Positions	Vacant Positions	Description Positions
1		Director
2		Deputy Director, Public Utility Accounting
1		Manager of Audits
1		Manager of Utility Securities Analysis
1		Systems Manager
1		Administrative Manager
2		Senior Office Secretary
5		Principal Utility Accountant
1		Public Utilities Administrative Manager
3		Senior Utility Accountant
1		Utility Reports Analyst
2		Public Utility Accountant
4	2	Associate Public Utility Accountant
25	2	Total Authorized 27

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 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 1990 ACTIVITIES

Consumer complaints and protests investigated	1,404
Telephone inquiries received	418
Tariff revisions received	284
Tariff sheets filed	4,831
Cases in which staff members prepared testimony or reports	8
Number of staff testimonies or reports prepared	8
Certificates of Convenience and Necessity granted or amended	49
Depreciation studies completed	3
Extended Area Service studies completed or underway	11
Number of calls studied	1,131,408
Number of toll switchboards where speed of operator answers measured	4
Outside Plant Tests	11
Central Office Switching Inspections	6
Repair service center reviews	2
Customer premises visit and inspections	44
Service evaluation center reviews	6
Computer programs written	5

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 proposed reclassifications for existing services
- Assisted in gathering monitoring data

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 several trade groups, associations, and telephone companies.

Prepared two formal responses to FCC Public Notices.

Responded to questionnaires from NARUC and others with respect to telecommunications matters.

Assisted Commission counsel with respect to formal rate, service and generic matters.

Reviewed construction budgets of major telephone companies for 1991-1996 period.

Staff members met with local governing bodies and citizens groups with respect to local calling areas and service problems.

Expanded use of Commission computer system.

Director reappointed to the NARUC Staff subcommittee on Communications.

Staff member reappointed to the NARUC Staff subcommittee on Engineering.

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 Va. Department for the Deaf and Hard of Hearing on implementation of Dual Party Relay Service in Virginia.

Reviewed rate design for six rate reductions.

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 rate cases;
- monitoring the financial condition of Virginia utilities;
- analyzing utility applications for the issuance of securities and providing the Commission 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;
- maintaining files of utilities' purchasing procedures and policies; and
- providing computer and graphic support for other SCC Divisions.

Summary of Major Activities During 1990

- Assumed in July the duties of securities analysis of utilities' debt and equity issuances and changed the Division name to Economics and Finance.
- Presented testimony on capital structure and cost of capital issues in six general rate cases and four expedited rate cases.
- Completed regular annual financial reviews for five utilities.
- Presented testimony on finance issues in one certificate case for new generating facilities and one certificate case for a private toll road.
- Analyzed and processed eleven cases for utilities seeking authority to issue securities.
- Completed a Staff report recommending the adoption of Commission rules regarding competitive bidding for electric capacity.
- Completed a Staff report recommending the establishment of a Commission proceeding regarding conservation and load management programs.
- Completed a review and critique of Virginia Power's latest competitive bid solicitation.
- Completed a review and critique of Virginia Power's 1990 peak demand and energy forecast.
- Presented testimony on peak demand and fuel price projections for the Virginia Power Schedule 19 proceeding.
- Presented testimony on costs and benefits of Potomac Edison's proposed add-on heat pump program.
- Completed a review and critique of Virginia Power's 1989 Twenty Year Resource Plan.
- Completed reviews of Virginia gas utilities' Five Year Forecasts.
- Set up a database management system used to monitor both the local telephone companies in the experimental Plan for Alternative Regulation and for the monitoring of interLATA long distance competition.
- Developed insurance premium volume and revenue forecast for the Bureau of Insurance.

DIVISION OF ENERGY REGULATION

Activities for Calendar Year 1990

The Division of Energy Regulation under Title 56, Chapter 10 of the Code of Virginia assists the Commission by monitoring, enforcing and making recommendations and preparing reports on all rates, tariffs and applicable management areas, procedures and standards of electric, gas, water, and sewer utilities. In addition, the Division approves, keeps on file, monitors and assures compliance with tariffs filed by electric, gas, water and sewer utilities; the Staff prepares testimony and testifies in public hearings held by the Commission regarding rates, services, transmission lines, fuel factors and other matters pertaining to regulation of utilities; issues Certificates of Public Convenience and Necessity and maintains established maps which are official records of certified areas of public utilities; issues and enforces rules and priorities for gas service via public hearings for allocation of gas between intrastate gas companies, commercial and industrial users and residential users; investigates and resolves complaints received from consumers concerning utilities and requires and enforces complaint procedures of utilities; makes gas safety inspections and enforces gas pipeline safety regulations in accordance with the Department of Transportation Gas Safety Program.

SUMMARY OF 1990 ACTIVITIES

Consumer Complaints, Letters of Protest and Inquiries Received	1,836
Tariff Filings Received (including Purchased Gas Adjustments)	115
Tariff Sheets Filed	1,765
Gas Safety Inspections (Person Days)	285
Electric Fuel Adjustments and Electric Wholesale Power Cost Adjustments Filed	160
Testimony and Reports Filed by Staff	42
Certificates of Public Convenience and Necessity Granted, Transferred or Revised	60
Special Reports	12
Gas Accident Investigations and Incident Reports	1

BUREAU OF FINANCIAL INSTITUTIONS PROCEEDINGS DURING THE YEAR 1990

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, 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/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 484 applications for various certificates of authority as shown below:

APPLICATIONS RECEIVED AND/OR ACTED UPON
BY THE BUREAU OF FINANCIAL INSTITUTIONS IN 1990

2	New Banks
2	Trust Authority
62	Bank Branches
1	Bank Main Office Relocation
1	Bank Main Office Redesignation
14	Bank Branch Office Relocations
2	Bank EFT Facilities
7	Bank Mergers
7	Acquisitions pursuant to Chapter 13 of Title 6.1
9	Acquisitions pursuant to Chapter 15 of Title 6.1
3	New Savings and Loan Associations
13	Savings Institution Branches
5	Acquisitions pursuant to Section 6.1-194.87 of Title 6.1
1	Acquisition pursuant to Chapter 3.01 Article 11 of Title 6.1
35	New Consumer Finance Offices
18	Consumer Finance Office Relocations
67	Consumer Finance Other Businesses
1	Credit Union Merger
21	Mortgage Lenders
96	Mortgage Brokers
26	Mortgage Lender & Brokers
12	Acquisitions pursuant to Section 6.1-416.1 of the Virginia Code
21	Additional Mortgage Offices
53	Mortgage Office Relocations
4	Money Order Sellers
1	Industrial Loan Association Acquisition

At the end of 1990, there were under the supervision of the Bureau 129 banks with 1,156 branches, 53 bank holding companies, 11 savings institutions with 21 branches, 96 credit unions, 10 industrial loan associations, 44 consumer finance companies with 330 offices operating in Virginia, 20 money order sellers, 6 debt counseling agencies, 208 mortgage brokers, 43 mortgage lenders and 132 mortgage lender/brokers.

In addition, the Bureau received and processed 2,349 consumer inquiries and complaints related to financial institutions during 1990.

DIVISION OF INSURANCE REGULATION
ACTIVITIES FOR THE FISCAL YEAR ENDING JUNE 30, 1990

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 1990 ACTIVITIES

New insurance companies licensed to do business in Virginia	58
Insurance company financial statements analyzed	3,324
Financial examinations of insurance companies conducted	38
Property and Casualty insurance rules, rates and form filings received	24,894
Life and Health insurance policy forms and rate filings received	17,201
Property and Casualty insurance complaints received	5,765
Life and Health insurance complaints received	4,245
Market conduct examinations completed by the Life and Health Division	4
Market conduct examinations completed by the Property and Casualty Division	5
Field and AUD investigations concluded by the Agents' Investigation Sections of the Property and Casualty and Life and Health Divisions	192
Agent qualification examinations given	9,988
Insurance agents and agencies licensed	81,620
Property and Casualty insurance surplus lines affidavits processed	10,018

MOTOR CARRIER DIVISION - AUDITS
CALENDAR YEAR 1990

Regular Motor Fuel Road Tax Accounts Audited	963
Regular Motor Fuel Road Tax Accounts Assessed	647
Total Assessments Paid	$1,451,174.39
Total Court Cases Due to Assessments	53
Total Court Cases Due to Non-compliance	2
Commission Penalties in Court Cases	$21,150.00
Court Cases Due to No Records for Audit	15
Commission Penalties for No Records	$10,400.00
Total Accounts Audited for Refunds	462
Total Amount Refunded	$3,555,524.38

MOTOR CARRIER ENFORCEMENT
ANNUAL REPORT OF INVESTIGATOR'S ACTIVITIES DURING 1989

Violations Handled through General District Courts	3,776
Fines Assessed by General District Courts	$205,801.00
Costs Assessed by General District Courts	$67,833.00
Reports Written on Commission Rule Violations	
22 Forms	1,160
Cases Processed (M and L)	1,231
Penalties Assessed	$298,718.50
Registration Receipts Issued	3,149
Fees Collected From Issuance of Receipts	$164,727.30
Complaints Investigated	395
Motor Carrier Mailwork Completed	7,206
Investigations for Other Divisions	6
Certificate Applicant Investigations	91
Vehicles Inspected	38,171
Proof of Operations Inspections (ED-40)	11,722
Division of Motor Vehicles License Sold Through Investigators' Involvement	237
Fees Collected from these Transactions (A portion of these fees went to other IRP jurisdictions.)	$202,374.27
Apprehensions of Operators with Outstanding Commission Judgments (Red List Operators)	110
Monies Collected From Operators with Outstanding Commission Judgments	$110,630.55
Apprehensions of Operators with Outstanding Liquidated Damages	146
Monies Collected From Operators with Outstanding Liquidated Damages	$59,934.50

MOTOR CARRIER DIVISION - OPERATIONS
REGISTRATIONS AND COLLECTIONS 1990

Registrations Freight by Carriers and number of vehicles registered:

FREIGHT CARRIERS

Contract Carriers Non Bulk (CC)		2,465
Contract Carriers Non Bulk	- vehicles registered	16,163
Contract Carriers Bulk (CB)		7,245
Contract Carriers Bulk	- vehicles registered	11,314
Exempt Carriers Intrastate (E)		967
Exempt Carriers Intrastate	- vehicles registered	2,379
Common Carriers of Freight (F)		23
Common Carriers of Freight	- vehicles registered	3,360
Household Goods Carriers (G)		171
Household Goods Carriers	- vehicles registered	1,571
Petroleum Carriers (K)		64
Petroleum Carriers	- vehicles registered	973
ICC Regulated Interstate Carriers (M)		15,560
ICC Regulated Interstate Carriers	- vehicles registered	467,964
ICC Exempt Carriers (X)		6,789
ICC Exempt Carriers	- vehicles registered	12,645
Private Freight Carriers (V)		23,299
Private Freight Carriers	- vehicles registered	102,304
Rental Permitted Carriers (R)		32
Rental Permitted Carriers	- vehicles registered	623
Virginia Private Leased Carriers (L)		796
Virginia Private Leased Carriers	- vehicles registered	2,604

PASSENGERS CARRIERS

Common Carriers (A)		38
Common Carriers	- vehicles registered	4,222
Charter Party Carriers (P)		121
Charter Party Carriers	- vehicles registered	1,205
Sight-Seeing Carriers (S)		6
Sight-Seeing Carriers	- vehicles registered	7
Limousine Carriers (B)		121
Limousine Carriers	- vehicles registered	284
Taxi Cab Carriers (T)		2,563
Taxi Cab Carriers	- vehicles registered	4,059
Intrastate Exempt Carriers (I)		19
Intrastate Exempt Carriers	- vehicles registered	136
Employee Haulers (H)		196
Employee Haulers	- vehicles registered	467
ICC Regulated Interstate Carriers (M)		1,535
ICC Regulated Interstate Carriers	- vehicles registered	8,200

TOTALS

Total Vehicles Registered	640,480
Total Registration Fees Collected	$7,100,573.58
Total Motor Fuel Road Taxes Collected	$28,069,256.95
Total Motor Fuel Road Taxes Accounts	47,924

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.
Take-Over-Bid Disclosure Act, Virginia Code Sections 13.1-528 through 13.1-541. (Act repealed July 1, 1989.)

UNDER THE VIRGINIA SECURITIES ACT:

11	qualification applications received
1,128	coordination applications received
38	notification applications received
410	filings for exemption from registration (Reg. D)
77,046	registrations of agents granted, renewed, transferred, denied or withdrawn
1,564	registrations of broker-dealers granted, renewed, denied or withdrawn
726	registrations of investment advisors granted, renewed, denied or withdrawn
4,826	registrations of investment advisor representatives granted, renewed, denied or withdrawn
107	orders filing and/or canceling surety bonds
45	orders granting exemptions and/or official interpretations
26	orders for subpoena of records by banks, corporations and individuals
37	orders of show cause
89	judgments of compromise and settlement
18	final order and/or judgment

UNDER THE VIRGINIA TRADEMARK AND SERVICE MARK ACT:

558	applications for trademarks and/or service marks approved, renewed, assigned or denied

UNDER THE VIRGINIA RETAIL FRANCHISING ACT:

1,211	franchise registration, renewal or post-effective amendment applications received
203	franchises denied, withdrawn, non-renewed or terminated

UNIFORM COMMERCIAL CODE

The Uniform Commercial Code Division of the State Corporation Commission was established by the Acts of the Legislature in 1964 to become effective January 1, 1966, to be the central filing office in the Commonwealth under Part 4 of the Uniform Commercial Code and to serve as a filing agent. 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.

Chapter 76 of the Acts of the General Assembly of 1970 added the filing of federal tax liens.

The Division must furnish, upon request, information, certificates of fact and/or certified copies of documents relating to such filings.

SUMMARY OF 1990 ACTIVITIES

Financing and Subsequent Statements Filed	70,223
Federal Tax Liens and Subsequent Liens Filed	6,552
Requests Processed and Certificates Issued	16,412
Public Assistance (Average)	16,000
Reels of Microfilm Documents Sold	254
Total Revenue Collected	$892,100.80
Total Expenditures	$486,614.02

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LIST OF JUDICIAL CASES ESTABLISHED IN 1990

BFI: BUREAU OF FINANCIAL INSTITUTIONS

BFI890382 Moneycorp Financial Services
Request for hearing on proposed revocation of license

BFI900001 Provident Financial Corp.
To relocate office from Franklin St. to Laburnum Ave., Richmond, VA

BFI900002 Peoples Loans Inc.
To relocate office from Main St. to Luray Shopping Center, Luray, VA

BFI900003 Commercial Credit Loans Inc.
To conduct consumer finance business and sales finance at the same location

BFI900004 Commercial Credit Loans Inc.
To conduct consumer finance business and mortgage lending at the same location

BFI900005 Commercial Credit Loans Inc.
To conduct consumer finance business and open-end lending at the same location

BFI900006 Commercial Credit Loans Inc.
To conduct consumer finance business and sale of non-filing insurance at same location

BFI900007 Commercial Credit Loans Inc.
To conduct consumer finance business and sale of title insurance at same location

BFI900008 Commercial Credit Loans Inc.
To conduct consumer finance business and sale of credit property insurance at same location

BFI900009 Commercial Credit Loans Inc.
To open a consumer finance office at 10800 Midlothian Turnpike, #151, Richmond, VA

BFI900010 Commercial Credit Loans Inc.
To open a consumer finance office at 3554 Electric Road, SW, Roanoke, VA

BFI900011 Commercial Credit Loans Inc.
To open a consumer finance office at 424-426 Maple Ave., E, Vienna, VA

BFI900012 Commercial Credit Loans Inc.
To open a consumer finance office at 1010 E. Main Street, Pulaski, VA

BFI900013 Commercial Credit Loans Inc.
To open a consumer finance office at 415 Roanoke Street, Christiansburg, VA

BFI900014 Commercial Credit Loans Inc.
To open a consumer finance office at 770 Lynnhaven Parkway, #140, VA Beach, VA

BFI900015 Commercial Credit Loans Inc.
To open a consumer finance office at 969 East Stuart Drive, Galax, VA

BFI900016 Commercial Credit Loans Inc.
To open a consumer finance office at 245 Commonwealth Blvd., Martinsville, VA

BFI900017 AJR Mortgage Company Inc.
To conduct mortgage brokering at 4121 Cox Road, Suite 109, Glen Allen, VA

BFI900018 Virginia Financial Services Assoc. v. Commissioner of Financial Institutions
To review Administrative Ruling XI-1

BFI900019 United First Mortgage Inc.
To conduct mortgage lending at several locations

BFI900020 Mortgage & Equity Funding Corp.
To conduct mortgage brokering at 29 Hunter Mill Road, Oakton, VA

BFI900021 Residential Services Corp.
To conduct mortgage lending and brokering at certain locations

BFI900022 First Shelter Mortgage Corp.
To conduct mortgage brokering at 21206 Chesterfield Ave., Petersburg, VA

BFI900023 FSB Investors Corporation
To conduct mortgage lending and brokering at 308 Hillwood Ave., Falls Church, VA

BFI900024 Schneiderman, Milton
To acquire 81% of TMC Mortgage Corporation

BFI900025 Dominion Financial Group
To conduct mortgage brokering at 1453 Kempsville Road, Suite 101-D, VA Beach, VA

BFI900026 Aetna Finance Co. D/B/A ITT
To relocate office from 606 Washington St. to 3141 Duke St., Alexandria, VA

BFI900027 International Financing & Development, Inc.
To conduct mortgage brokering at certain locations

BFI900028 Central Fidelity Bank
To open a branch at 6661 Old Dominion Drive, McLean, VA

BFI900029 Transamerica Financial Services
To conduct consumer finance business and real estate loans at the same location

BFI900030 Transamerica Financial Services
To conduct consumer finance business at 12350 Jefferson Ave., Newport News, VA

BFI900031 Ex Parte: Rules
Promulgation of rules pursuant to VA Code § 6.1-302 (Consumer Finance Act)

BFI900032 Peterson, Edward C. T/A Stretch-It
Alleged violation of VA Code § 6.1-418

BFI900033 SFC Mortgage Group of Virginia Inc.
Alleged violation of VA Code § 6.1-418

BFI900034 Commerce Bank
To open a branch at 1008 West Washington Street, Suffolk, VA
BFI900035 Commerce Bank
To open a branch at 245 East Little Creek Road, Norfolk, VA
BFI900036 Central Fidelity Bank
To open a branch at southwest corner of Diamond Springs Road and Wesleyan Dr., VA Beach, VA
BFI900037 Transcoastal Mortgage Corp.
To conduct mortgage lending and brokering at certain locations
BFI900038 Bank of Marion, The
To open a branch at Highway 91 N. Glade Spring, Washington County, VA
BFI900039 Century Financial Corporation
To conduct mortgage brokering at certain offices
BFI900040 Rockingham Heritage Bank
To establish a bank at Court Square, #280, Harrisonburg, VA
BFI900041 Commercial Credit Loans Inc.
To open an office at 2332-E W. Mercury Blvd., Hampton, VA
BFI900042 Commercial Credit Loans Inc.
To conduct consumer finance and sales finance at the same location
BFI900043 Commercial Credit Loans Inc.
To conduct consumer finance and sale of credit property insurance at the same location
BFI900044 Commercial Credit Loans Inc.
To conduct consumer finance and open-end lending at the same location
BFI900045 Commercial Credit Loans Inc.
To conduct consumer finance and mortgage lending at the same location
BFI900046 Commercial Credit Loans Inc.
To conduct consumer finance and sale of non-filing insurance at the same location
BFI900047 Commercial Credit Loans Inc.
To open an office at 2148 Berkmar Drive, #6, Charlottesville, VA
BFI900048 Commercial Credit Loans Inc.
To open an office at 1200 North Battlefield Blvd., #122, Chesapeake, VA
BFI900049 Commercial Credit Loans Inc.
To open an office at 8227 Hull Street, Chesterfield County, VA
BFI900050 Commercial Credit Loans Inc.
To conduct consumer finance business at 14215-M, Centreville Square, Centreville, VA
BFI900051 Commercial Credit Loans Inc.
To conduct consumer finance and sales finance at the same location
BFI900052 Commercial Credit Loans Inc.
To conduct consumer finance and mortgage lending at the same location
BFI900053 Commercial Credit Loans Inc.
To conduct consumer finance and open-end lending at the same location
BFI900054 Commercial Credit Loans Inc.
To conduct consumer finance and sale of non-filing insurance at the same location
BFI900055 Commercial Credit Loans Inc.
To conduct consumer finance and sale of credit property insurance at the same location
BFI900056 First Patriot Bankshares Corp.
To acquire voting shares of Patriot National Bank of Reston
BFI900057 First Virginia Bank-Tidewater
To establish an EFT at Webb University Center, Old Dominion University, Hampton Blvd., Norfolk, VA
BFI900058 Commercial Credit Loans Inc.
To conduct consumer finance business at 1860 Pleasant Valley Rd., Winchester, VA
BFI900059 Commercial Credit Loans Inc.
To conduct consumer finance and sale of non-filing insurance at the same location
BFI900060 Commercial Credit Loans Inc.
To conduct consumer finance and sale of property insurance at the same location
BFI900061 Commercial Credit Loans Inc.
To conduct consumer finance and open-end lending at the same location
BFI900062 Commercial Credit Loans Inc.
To conduct consumer finance and sales finance at the same location
BFI900063 Commercial Credit Loans Inc.
To conduct consumer finance and mortgage lending at the same location
BFI900064 Primerica Corporation
To acquire 100% of ALW Home Mortgages Inc.
BFI900065 Aida Mcarthy
To conduct mortgage brokering at 3305 Fallen Tree Court, Alexandria, VA
BFI900066 First Virginia Bank-South Central
To merge into it First Virginia Bank - South
BFI900067 First Virginia Bank-Damascus
To merge into it First Virginia Bank of the Cumberlands
BFI900068 First Service Mortgage Inc.
To conduct mortgage brokering at 3001 Hunt Rd., Oakton, VA
BFI900069 Omni Check Center Inc.
To sell money orders at certain locations

BFI900070 Gearr Financial Services Inc.
To conduct mortgage brokering at 8100 Three Chopt Road, Richmond, VA
BFI900071 Crestar Bank
To open branch at 2260 Sunstates Court, VA Beach, VA
BFI900072 Crestar Bank
To open branch at 2155 Coliseum Drive, Hampton, VA
BFI900073 Premier Bankshares Corporation
To acquire 100% of Shawsville Bancorp Inc. pursuant to VA Code § 6.1-383
BFI900074 Harmon Mortgage Corporation
To conduct mortgage brokering at 6924-B Little River Turnpike, Annandale, VA
BFI900075 Avantor Financial Corp.
To acquire 100% of Sovran Financial Corporation
BFI900076 Citizens & Southern Corp.
To acquire 16.6% of Sovran Financial Corporation
BFI900077 Long, John F.
To acquire 76.67% of Long Investments Inc.
BFI900078 Markee Financial Corp.
To conduct mortgage brokering at certain locations
BFI900079 Central Fidelity Bank
To open a branch at northeast corner of West Main St. & Spartan Drive, Salem, VA
BFI900080 Residential Services Corp.
To acquire 100% of The Prudential Home Mortgage Company Inc.
BFI900081 Avantor Financial Corporation
To acquire the Citizens and Southern Corp. and all subsidiaries of Sovran Financial Corp.
BFI900082 First Virginia Bank
To open a branch at 14595 Avion Parkway, Chantilly, VA
BFI900083 Sailors & Merchants Bank & Trust
To open a branch at 2960 Chain Bridge Road, Oakton, VA
BFI900084 NCNB Corporation
To acquire Carolina Mountain Holding Company, Highlands, NC
BFI900085 Aetna Finance Company D/B/A ITT Financial Services
Alleged violation of Consumer Finance Act
BFI900086 Hallmark Bank & Trust Co.
To relocate branch from 7021 to 7001 Manchester Blvd., Fairfax Co., VA
BFI900087 TRG Mortgage Corporation
To conduct mortgage brokering at 250 West Main St., Suite 100, Charlottesville, VA
BFI900088 United Mortgage Funding Corp.
To conduct mortgage brokering at 4041 Powder Mill Rd., Suite 300, Calverton, MD
BFI900089 First Virginia Bank
To open branch at Hayfield Rd. & Beulah St., Franconia, VA
BFI900090 United Mortgagee Incorporated
To conduct mortgage lending & brokering at 2910 W. Clay St., Richmond, VA
BFI900091 Homebuyers Equity Corporation
To conduct mortgage brokering at 12300 Twinbrook Parkway, Suite 600, Rockville, MD
BFI900092 Bancshares 2000 Inc.
To acquire Jefferson Bank and Trust Company
BFI900093 National Homes Employees Credit Union
To liquidate credit union
BFI900094 Financial Link Company, The
To conduct mortgage brokering at 10875 Main Street, Suite 101, Fairfax, VA
BFI900095 American General Finance of America
To relocate office from 317 Shawnee Ave. to US Highway 23 & Rt. 58
BFI900096 Seaboard Savings & Loan Assn.
To establish branch office at 2901 Cedars Rd., Chesapeake, VA
BFI900097 Baratta, Patrick A.
To conduct mortgage brokering at 8121 Timberlake Road, Lynchburg, VA
BFI900098 Central Fidelity Bank
To open a branch at 12420 Billingham Square, Woodbridge, VA
BFI900099 FCM Holdings Inc.
To conduct mortgage brokering and lending at 8521 Leesburg Pike, Suite 430, Vienna, VA
BFI900100 Central Fidelity Bank
To relocate branch from Rio Rd. US Rt. 29 N to the Gardens Shopping Center, Albemarle Co., VA
BFI900101 Avco Financial Services of Madison Heights
Alleged violation of Virginia Consumer Finance Act
BFI900102 Yacon's, David T/A Elizabeth River Mortgage
To conduct mortgage brokering at 4106 Tarnywood Drive, Portsmouth, VA
BFI900103 Monument Mortgage Corp.
Alleged violation of VA Code §§ 6.1-417 B, 6.1-2.9:5 et al.
BFI900104 Far East Financial Company
To conduct mortgage brokering at 7979 Old Georgetown Rd., Suite 312, Bethesda, MD
BFI900105 Westmoreland Mortgage Corp.
To conduct mortgage brokering at 3600 West Broad Street, Richmond, VA

BFI900106 May, John E. Jr.
To conduct mortgage brokering at 1900 L Street, NW, Suite 500, Washington, DC
BFI900107 Gold Bond Mortgage Inc.
To conduct mortgage brokering at 814 Leigh Mill Road, Great Falls, VA
BFI900108 Hulfish Mortgage Company
To conduct mortgage brokering at 113 South Alfred Street, Alexandria, VA
BFI900109 United Home Mortgage Services
To conduct mortgage brokering at several locations
BFI900110 Nugent Mortgage Corporation
To conduct mortgage brokering at 6105-F Arlington Blvd., Falls Church, VA
BFI900111 Central Fidelity Bank
To open a branch at 3167 Duke Street, Alexandria, VA
BFI900112 First Virginia Bank
To relocate branch from 7900 Sudley Rd. to 10420 Portsmouth Rd., Manassas, VA
BFI900113 Crestar Bank
To open branch at 750 Independence Blvd., VA Beach, VA
BFI900114 United Mortgage Services Inc.
Alleged violation of VA Code § 6.1-424
BFI900115 National Mortgage Network
To conduct mortgage brokering at 25 Blackstone Valley Place, Rhode Island
BFI900116 First Equitable Mortgage Corp.
To conduct mortgage brokering
BFI900117 First American Bank of VA
To open branch at 2136 Triple Seven Road, Sterling, VA
BFI900118 First Commonwealth Financial
To acquire First Commonwealth Savings Bank
BFI900119 Aetna Finance D/B/A ITT
To relocate office from 366 Elden St. to 396 Elden St., Herndon, VA
BFI900120 American General Finance
To relocate office from 3905 A Hull St. to 1136 Hull St. Rd., Chesterfield Co., VA
BFI900121 Essex Financial Partners Lp.
To acquire 100% of Norfolk Industrial Loan
BFI900122 American General Finance of America
To conduct consumer finance business and mortgage lending at the same location
BFI900123 American General Finance of America
To conduct consumer finance business and open-end lending at the same location
BFI900124 American General Finance of America
To conduct consumer finance business and sale of property insurance at the same location
BFI900125 American General Finance of America
To conduct consumer finance business and sale of auto club memberships at the same location
BFI900126 American General Finance of America
To conduct consumer finance business and sales finance at the same location
BFI900127 American General Finance of America
To conduct consumer finance business at 5 East Church St., Martinsville, VA
BFI900128 Smith, Leon D.
To conduct mortgage brokering at 1611 Lochwood Drive, Richmond, VA
BFI900129 Herron, Clay P. & Maryline
To conduct mortgage lending and brokering at certain locations
BFI900130 Central Fidelity Bank
To open a branch at the intersection of Centreville Rd. & Fox Mill Rd., Herndon, VA
BFI900131 Crismont Mortgage Corporation
To conduct mortgage lending at 2915 Hunter Mill Rd., Suite 17, Oakton, VA
BFI900132 Fenix Funding Corporation
To conduct mortgage brokering at 5039 Bradley Blvd., #5, Chevy Chase, MD
BFI900133 Peoples Bank Inc.
To open branch near intersection of US Highway 23 and Business Rt. 23, Wise, VA
BFI900134 Horizon Bank of Virginia
To commence banking business at 8260 Lee Highway, Fairfax County, VA
BFI900135 Chrysler First Financial Services
To open an office at 9840 Midlothian Turnpike, Suite R, Chesterfield Co., VA
BFI900136 Central Fidelity Bank
To open branch at 5852 Mapledale Plaza, Woodbridge, VA
BFI900137 Miners & Merchants Bank and Trust
To open a branch at US 460 East, Grundy, VA
BFI900138 United Bankshares Inc.
To acquire Bankfirst Corp. and its subsidiary Bank First NA pursuant to Chapter 5
BFI900139 American Residential Mortgage
To conduct mortgage lending and brokering at several locations
BFI900140 Peoples Bank of Virginia
To open a branch at 11450 Midlothian Turnpike, Chesterfield County, VA
BFI900141 Central Fidelity Bank
To open branch at 4717 Jefferson Davis Highway, Richmond, VA

BFI900142 EMB Investors Inc.
To acquire Eastern Mortgage Bankers Inc. pursuant to VA Code § 6.1-416.1

BFI900143 American General Finance
To relocate office from 1978-80 William St., Fredericksburg, VA to 3940-D Plank Rd., Fredericksburg, VA

BFI900144 Markee Financial Corporation
To conduct mortgage lending at 3615-E, Chainbridge Rd., Fairfax, VA

BFI900145 National Mortgage Network
To conduct mortgage brokering at 7008-E Little River Turnpike, Annandale, VA

BFI900146 Williams, B. Owen & Ermlick, A.
To conduct mortgage brokering at 328 Office Square Lane, Suite 204, VA Beach, VA

BFI900147 Modern Mortgage Incorporated
To conduct mortgage brokering at 5613 Leesburg Pike, Suite 5, Falls Church, VA

BFI900148 Frederick Financial Services
To conduct mortgage brokering at 7310 Grove Road, Suite 205, Frederick, MD

BFI900149 Crestar Bank
To relocate branch from 749-A Thimble Shoals Blvd. to 11817 Canon Blvd., Newport News, VA

BFI900150 Crestar Bank
To relocate branch from 1500 Ingleside Rd. to SW corner of Princess Anne Rd. and Ingleside Rd.,Norfolk,VA

BFI900151 Crestar Bank
To relocate branch from 1827 King St. to 1650 King St., Alexandria, VA

BFI900152 Consolidated Bank & Trust Co.
To open branch at 101 North Armstead Avenue, Hampton, VA

BFI900153 SFC Mortgage Group of VA
For license to engage in business as mortgage broker

BFI900154 Sears Mortgage Corporation
To conduct mortgage lending at 2500 Lake Cook Road, Riverwoods, IL

BFI900155 Morris, Boniface & Associates
To conduct mortgage brokering at 4617 Beauclaire Blvd., Fredericksburg, VA

BFI900156 First American Bank of VA
To relocate branch from 102 Walker Street, Lexington, VA to State Rt. 60 East, Rockbridge Co., VA

BFI900157 Relocation Financial Services
To conduct mortgage lending at 120 Longwater Drive, Norwell, MA

BFI900158 Adco Financial Mortgage Services
To conduct mortgage lending and brokering at 9312 Arlington Blvd., Charlottesville, VA

BFI900159 Mercury Finance Company
To conduct consumer finance and sales finance at the same location

BFI900160 Mercury Finance Company
To conduct consumer finance and term life insurance at the same location

BFI900161 Mercury Finance Company
To conduct consumer finance and sale of auto club memberships at the same location

BFI900162 Mercury Finance Company
To open office at 15439-E Warwick Blvd., Newport News, VA

BFI900163 Pan-American Mortgage Company
To conduct mortgage brokering at 12616 Bridoon Lane, Herndon, VA

BFI900164 Medcon Mortgage Corporation
To conduct mortgage lending and brokering at 11275 Wampanog Trail, E., Providence, RI

BFI900165 Peoples Bank of Montross
To open branch on US Rt. 360 at intersection with Rt. 624, Warsaw, VA

BFI900166 Chrysler First Financial Services
To relocate from 1 Koger Executive Center to 5505 Robin Hood Rd., Norfolk, VA

BFI900167 Consumer's Mortgage Corp.
To conduct mortgage lending and brokering at 3000 Bethesda Place, Winston-Salem, NC

BFI900168 Eastern Fidelity Mortgage Corp.
To conduct mortgage brokering at 4502 Starkey Road, SW, Suite 211, Roanoke, VA

BFI900169 Bank of Southside Virginia
To acquire 19.2% of Bank of McKenney

BFI900170 Northern Neck State Bank
To open branch at State Routes 17 and 107, Tappahannock, VA

BFI900171 Crestar Bank
To relocate office from 4085 Chain Bridge Rd. to 10555 Main St., Fairfax, VA

BFI900172 Home Mortgage Financial Services
To conduct mortgage brokering at 1824 Woodrail Drive, Millersville, MD

BFI900173 Consolidated Bank & Trust Co.
To open branch at 1512 27th Street, Newport News, VA

BFI900174 Norwest Financial Inc.
To conduct consumer finance and business loans at the same location

BFI900175 Norwest Financial Inc.
To conduct consumer finance and open-end lending at the same location

BFI900176 Norwest Financial Inc.
To conduct consumer finance and sales finance at the same location

BFI900177 Norwest Financial Inc.
To conduct consumer finance and mortgage lending at the same location

BFI900178 Financial Mortgage Inc.
To conduct mortgage brokering at 5444 Ashleigh Road, Fairfax, VA
BFI900179 Burridge, C. Wayne
To conduct mortgage brokering at 12865 Tewksbury Drive, Herndon, VA
BFI900180 Albemarle Bank & Trust
To merge into it Peoples Bank of Central Virginia
BFI900181 Progressive Mortgage Inc.
To conduct mortgage brokering at 4700 Forest Hills Ave., Richmond, VA
BFI900182 American General Finance
To relocate office from 5176 Nine Mile Rd. to 5245 Laburnum Ave., Henrico Co., VA
BFI900183 Kenwood Associates Inc.
To conduct mortgage lending at 10000 Falls Road, #106, Potomac, MD
BFI900184 Signet Bank/Virginia
To open a branch office at 996 First Colonial Road, VA Beach, VA
BFI900185 Norwest Financial Inc.
To open an office at 3554 Electric Road, SW, Roanoke, VA
BFI900186 Citizens Bank & Trust Co.
To open a branch at northeast corner of Rts. 40 and 46, Blackstone, VA
BFI900187 Capital Assurance Mortgage
To conduct mortgage brokering at 2200 Opitz Blvd., Suite 345B, Woodbridge, VA
BFI900188 Crestar Bank
To open branch at 11 Pidgeon Hill Drive, Sterling, VA
BFI900189 First Community Bank
For authority to engage in trust business
BFI900190 Public Finance Corp.
To relocate office from 1112 W. Main St. to 259 Zan Rd., Charlottesville, VA
BFI900191 Central Fidelity Bank
To open a branch at corner of Davis Ford Rd. and Liberia Ave., Manassas, VA
BFI900192 American Federal Corp.
To conduct mortgage brokering at 40 Orchard Way N., Potomac, MD
BFI900193 Commerce Bank
To establish EFT at 600 Gresham Drive, Norfolk, VA
BFI900194 ALW Home Mortgages Inc.
To conduct mortgage brokering at certain locations
BFI900195 CC Home Lenders Services Inc.
To conduct consumer finance business and mortgage lending at the same location
BFI900196 CC Home Lenders Services Inc.
To open office at 424-426 Maple Ave., East Vienna, VA
BFI900197 CC Home Lenders Financial
To conduct mortgage lending at 424-426 Maple Ave., East Vienna, VA
BFI900198 Advanced Financial Services
To conduct mortgage lending and brokering at certain locations
BFI900199 Central Fidelity Bank
To open branch at 1142 Big Bethel Road, Hampton, VA
BFI900200 Summit Financial Services Inc.
To conduct mortgage brokering at 7 Foxtown Road, Poquoson, VA
BFI900202 Landmark Financial Services
To open office at 12696 Jefferson Davis Highway, Chester, VA
BFI900203 Landmark Financial Services
To open an office at Rt. 17, Carrollton, VA
BFI900204 Landmark Financial Services
To open an office at 5216 George Washington Memorial Highway, Suite F, Grafton, VA
BFI900205 Landmark Financial Services
To open an office at 1923 South Church Street, Smithfield, VA
BFI900206 Central Fidelity Bank
To open a branch at the corner of Brandon Ave. and Colonial Ave., Roanoke, VA
BFI900208 Lee Funding Company Inc. of VA
To conduct mortgage lending and brokering at 135 Chestnut Ridge Rd., Montvale, NJ
BFI900209 Southern Mortgage Corporation
To conduct mortgage lending and brokering at 403 William St., Fredericksburg, VA
BFI900210 Inscoe, Jennifer L.
To conduct mortgage brokering at 7581 Margate Court, #203, Manassas, VA
BFI900211 First Virginia Bank-Planters
To open branch at 335 E. Market Street, Harrisonburg, VA
BFI900212 First American Bank of VA
To open a branch at 9872 Liberia Ave., Prince William Co., VA
BFI900213 Rodgers, Ronald G.
To conduct mortgage brokering at 60 East First St., Christiansburg, VA
BFI900214 Commercial Credit Loans Inc.
To relocate office from Kirk Avenue to Peters Creek Road, Roanoke, VA
BFI900215 Commercial Credit Corporation
To relocated office from Kirk Avenue to Peters Creek Road, Roanoke, VA

BFI900216 Ex Parte: Delegating Certain
For delegating certain authority to Commissioner of Bureau of Financial Institutions
BFI900217 Carl I. Brown and Company
To open an office at 600 Westwood Office Park, Fredericksburg, VA
BFI900218 First Virginia Bank-Southwest
To relocate branch from 2103 Electric Rd., SW to 1828 Electric Rd., Roanoke, VA
BFI900219 Crestar Bank
To open a branch at 901 East Byrd Street, Richmond, VA
BFI900220 Associates Financial Services
To relocate office from 1428 N. Seminole Trail to 1900 Rio Hill Road, Charlottesville, VA
BFI900221 Associates Financial Services
To relocate from Seminole Trail to Rio Hill Road, Albemarle Co., VA
BFI900222 South Boston Bank
To open a branch at the corner of Virginia Ave. and Russell St., Mecklenburg County, VA
BFI900223 Virginia Mortgage Services Inc.
To relocate offfice from 3601 Blvd. to 28011 Blvd., Colonial Heights, VA
BFI900224 Developers Service Corporation
To conduct mortgage lending at 8321 Old Courthouse Rd., Suite 120, Vienna, VA
BFI900225 Coastal Business and Financial Services
To conduct mortgage brokering at 4516 Peppermill Court, Dumfries, VA
BFI900226 First American Bank of VA
To establish a branch office at 11921 Freedom Drive, #100, Reston, VA
BFI900227 Jefferson Mortgage Group Ltd.
To conduct mortgage brokering at 14112-B Lee Highway, Centreville, VA
BFI900228 American General Finance Inc.
To relocate office from 5176 Nine Mile Road to 5245 S. Laburnum Avenue, Richmond, VA
BFI900229 First Bancorp Mortgage
To relocate office from 603 Pilot House Dr., Suite 420 to 11817 Canon Blvd., Newport News, VA
BFI900230 Central Fidelity Bank
To open branch at 1400 Kempsville Rd., Chesapeake, VA
BFI900231 Briner, Incorporated
To relocate office from Midlothian, VA to Annandale, VA
BFI900232 Landmark Financial Services of VA
To conduct consumer finance and mortgage lending at the same location
BFI900233 Landmark Financial Services of VA
To conduct consumer finance and open-end lending at the same location
BFI900234 Universal Mortgage Corporation
To relocate office from 12450 Fair Lakes to 1270 Fair Lakes, Fairfax, VA
BFI900235 Landmark Financial Services of VA
To conduct consumer finance and sales finance at the same location
BFI900236 Home Mortgage Financial Services
To relocate office from 1824 Woodrail Dr., Millersville to Annapolis Rd., Lanham, MD
BFI900237 Steven C. Gibboney
To acquire 26.63% of Summit Mortgage Group Inc.
BFI900238 Mark W. Clark
To acquire 26.63% of Summit Mortgage Group Inc.
BFI900239 Joseph J. Mahoney, III
To acquire 100% of Abbot Mortgage Service Inc.
BFI900240 American General Finance Inc.
To relocate office from 2036-4 Victory Blvd. to 4552 George Washington Highway, Portsmouth, VA
BFI900241 Equity One, Incorporated
To conduct mortgage lending at 8216B Old Courthouse Rd., Vienna, VA
BFI900242 American General Finance
To relocate office from Victory Blvd. to George Washington Highway, Portsmouth, VA
BFI900243 United First Mortgage Inc.
To relocate office from 511 Thornrose to 703 Coalter, Staunton, VA
BFI900245 Homebuyers Equity Corporation
To relocate office from Twinbrook Parkway, #600 to Twinbrook Parkway, #500, Rockville, MD
BFI900246 Loan America Financial Corp.
To conduct mortgage lending and brokering at 11300 Rockville Pike, Rockville, MD
BFI900247 Dorsey Evans T/A Century Finance
To conduct mortgage brokering at 1301 Pennsylvania Ave., NW, Washington, DC
BFI900248 Chrysler First Financial Services
To relocate office from Cox Rd., Glen Allen to Staples Mill Rd., Richmond, VA
BFI900249 NCNB Corporation
To acquire NCNB America Bank
BFI900250 Crestar Bank
To open a branch at southwest corner of Broad St. and Pump Road, Glen Allen, VA
BFI900251 Union Bank and Trust Company
To relocate office from 340 Richardson Rd. to 700 S. Leadbetter Rd., Ashland, VA
BFI900252 Central Money Mortgage Co. Inc.
To conduct mortgage brokering at 7811 Montrose Road, #301, Potomac, MD

BFI900253 United Mortgage Funding Corp.
To relocate office from Powder Mill Rd., #300 to Powder Mill Rd., #202, Calverton, MD

BFI900254 Sikes, Thomas
To conduct mortgage brokering at 205 Princeton Lane, Fishersville, VA

BFI900255 Fairfax Mortgage Investments
To relocate office from 5501 Backlick Rd., Suite 100, Springfield, VA to 3951 University Dr., Fairfax, VA

BFI900256 Hinton, James W.
To relocate office from 2939 W. Main St. to 204 Stoneridge, Waynesboro, VA

BFI900257 United Companies Mortgage of VA
To open an office at 11818 Rock Landing Dr., Newport News, VA

BFI900258 United Companies Mortgage of VA
To open an office at Center Court One, 9401 Courthouse Rd., #1100, Chesterfield, VA

BFI900259 Hillard, Nanette
To conduct mortgage brokering at 4936 Cleveland St., #110, VA Beach, VA

BFI900260 Pan-American Mortgage Co., Inc.
To relocate office from 12612 Bridoon Lane, Herndon, VA to 243 Church St., #100C, Vienna, VA

BFI900261 Old Dominion Mortgage Co.
To relocate office from 1355 Crawford St. to 809 County St., #202, Portsmouth, VA

BFI900262 Long Invvestments Inc.
To conduct mortgage lending at 704 Bowman Green Drive, Reston, VA

BFI900263 Crismont Mortgage Corporation
To relocate office from 2915 Hunter Mill Road, Suite 17, Oakton, VA to 8391 Old Courthouse Road, Vienna, VA

BFI900264 Crestar Bank
To open a branch at intersection of Centreville Road and Fox Mill Road, Herndon, VA

BFI900265 First Virginia Bank
To open a branch at 2089 Daniel Stuart Square, Woodbridge, VA

BFI900266 Encore Mortgage Corporation
To conduct mortgage brokering at 3736 Dogwood Lane, Roanoke, VA

BFI900267 Talbott, Leroy Jr.
To conduct mortgage brokering at 711 Blvd., Colonial Heights, VA

BFI900268 Signet Bank/Virginia
To relocate office from 610 West Southside Plaza to 141 E. Belt Blvd., Richmond, VA

BFI900269 Signet Bank/Virginia
To open a branch at Worldgate Center, Dulles Access Highway and Centreville Rd., Herndon, VA

BFI900270 Hee Man Yoo & Jung Jin C. Yoo
To acquire 80% of Center Mortgage Corp. pursuant to VA Code § 6.1-416.1

BFI900271 Peoples Bank of Danville
To open a branch at Tate Spring Road, Lynchburg, VA

BFI900272 First American Bank of VA
To open a branch at 7900 Sudley Road, Prince William County, VA

BFI900273 United Southern Mortgage Corp.
To conduct mortgage lending at several locations

BFI900274 United Southern Mortgage Corp.
To conduct mortgage lending at several locations

BFI900275 Advance Funding Corporation
To conduct consumer finance business at 3500 Elm Avenue, Portsmouth, VA

BFI900276 Kentucky Finance Co. Inc.
To conduct consumer finance and sales finance at the same location

BFI900277 Kentucky Finance Co. Inc.
To conduct consumer finance and mortgage lending at the same location

BFI900278 Kentucky Finance Co. Inc.
To conduct consumer finance and selling of property insurance at the same location

BFI900279 Kentucky Finance Co. Inc.
To conduct consumer finance and auto club memberships at the same location

BFI900280 Kentucky Finance Co. Inc.
To conduct consumer finance business at 142 Kents Ridge Rd., Richlands, VA

BFI900281 Commercial Credit Corp.
To relocate office from Lynnhaven Parkway, #140 to Lynnhaven Parkway, #105, VA Beach, VA

BFI900282 Richmond Mortgage Corp.
To relocate office from 1205 W. Main St., Suite 211 to 1200 Roseneath Rd., Richmond, VA

BFI900283 Fox Mortgage Associates
To open an office at 205 E. Washington St., Middleburg, VA

BFI900284 Chrysler First Inc.
To relocate office from 5425 Robin Hood Rd., Norfolk, VA to 210 Executive Dr., Hampton, VA

BFI900285 Commercial Credit Loans, Inc.
To move its office from Lynnhaven Parkway, #140 to Lynnhaven Parkway, #105, VA Beach, VA

BFI900286 Podolak, Andrew G.
To relocate office from Occoquan, VA to Michie Court, Woodbridge, VA

BFI900287 Thomas J. Naughton, Jr.
To acquire 25% of Intercoastal Mortgage Company

BFI900288 Monogram Home Equity Corp.
To conduct mortgage lending at 260 Long Ridge Rd., Stamford, VA
BFI900289 Franklin Mortgage Capital Corp.
To open an office at 7900 West Park Dr., Suite A-130, McLean, VA
BFI900290 Eastern Financial Corporation
To open office at 3959 Electric Rd., SW, Roanoke, VA
BFI900291 Franklin Mortgage Capital Corp.
To open an office at 1749 Old Meadow Rd., Suite 100, McLean, VA
BFI900293 Rockingham Heritage Bank
To relocate office from 110 University Blvd. to 1710 Neff Ave., Harrisonburg, VA
BFI900294 First Virginia Bank - Colonial
To open a branch at Woodlake Shopping Center, #2, Chesterfield County, VA
BFI900295 Mercantile Bankshares Corp.
To acquire Farmers & Merchants Bank - Eastern Shore
BFI900296 Johnson Mortgage Co.
To relocate office from Stoneridge Dr., Waynesboro, VA to Commerce Rd., Staunton, VA
BFI900297 Chrysler First Financial Services
To relocate office from Robin Hood Rd., Norfolk, VA to Executive Dr., 1st floor, Hampton, VA
BFI900298 Ellis Financial Corporation
To conduct mortgage brokering and lending at 1785 Sliding Hill Rd., Ashland, VA
BFI900299 Guild Mortgage Company
To relocate office from 4456 Corporation Lane, Suite 135 to 4099 Foxwood Dr., #203, VA Beach, VA
BFI900300 United Home Mortgage Services
To relocate office from Oakmears Cresent to S. Plaza Trail, VA Beach, VA
BFI900301 Mortgage Group Inc.
To relocate office from 8521 Leesburg Pike, #310 to 8521 Leesburg Piek, #290, Vienna, VA
BFI900302 Greenbrier Finance Company
To relocate office from 739 Granby St. to 6330 Newton Rd., #525, Norfolk, VA
BFI900303 Mortgage Service Center Inc.
To conduct mortgage lending and brokering at 2 Business Park Dr., #206, Waldorf, MD
BFI900304 Landmark Financial Services
To relocate office from 7007 Hull St. Road to 8245 Hull St. Rd., Chesterfield Co., VA
BFI900305 Bank of Sussex & Surry, The
To open a branch at State Route 10, Surry, VA
BFI900306 Signet Bank/Virginia
To relocate office from Thimble Shoals Blvd. to Jefferson Ave., Newport News, VA
BFI900307 KFC Mortgage Loans Inc.
To open an office at 142 Kents Ridge Road, Richlands, VA
BFI900308 Equity One Consumer Discount
To conduct consumer finance at US Rt. 13 and Washington St., Onley, VA
BFI900309 Equity One Consumer Discount
To conduct consumer finance and mortgage lending at the same location
BFI900310 Equity One Consumer Discount
To conduct consumer finance and sales finance at the same location
BFI900311 Equity One Consumer Discount
To conduct consumer finance at 4411 Plank Road, Spotsylvania County, VA
BFI900312 Reseda Finance Corporation
To engage in business as mortgage lender and broker
BFI900313 Tysons Financial Corp.
To acquire 100% of Tysons National Bank
BFI900314 Crestar Bank
To merge into it Richmond Interim Savings Bank
BFI900315 Crestar Bank
To acquire 100% of Henrico Interim Savings Bank
BFI900316 Crestar Bank
To merge into it Henrico Interim Savings Bank
BFI900317 Crestar Bank
To acquire 100% of Richmond Interim Savings Bank
BFI900318 Equity One Consumer Discount
To conduct consumer finance business at 10419 Midlothian Turnpike, Chesterfield Co., VA
BFI900319 Equity One Consumer Discount
To conduct consumer finance and sales finance at the same location
BFI900320 Equity One Consumer Discount
To conduct consumer finance and mortgage lending at the same location
BFI900321 Richmond Interim Savings Bank
To begin business at 1007 East Main Street, Richmond, VA
BFI900322 Richmond Interim Savings Bank
To open a branch at 5801 Patterson Avenue, Richmond, VA
BFI900323 Richmond Interim Savings Bank
To open a branch at 11655 Midlothian Turnpike, Chesterfield County, VA
BFI900324 Richmond Interim Savings Bank
To open a branch at 3631 Mechanicsville Turnpike, Henrico County, VA

BFI900325 Henrico Interim Savings Bank
To open a branch at 728 East Main Street, Richmond, VA
BFI900326 Henrico Interim Savings Bank
To open a branch at 6845 Midlothian Turnpike, Richmond, VA
BFI900327 Henrico Interim Savings Bank
To open a branch at 8545 Patterson Avenue, Henrico County, VA
BFI900328 Henrico Interim Savings Bank
To begin business at 421 East Franklin Street, Richmond, VA
BFI900329 Henrico Interim Savings Bank
To open a branch at 13180 Midlothian Turnpike, Chesterfield County, VA
BFI900330 Henrico Interim Savings Bank
To open a branch at 9811 Hull Street Road, Chesterfield County, VA
BFI900331 Henrico Interim Savings Bank
To open a branch at 101 England Street, Ashland, VA
BFI900332 Henrico Interim Savings Bank
To open a branch at 1206 Willow Lawn Drive, Henrico County, VA
BFI900333 Henrico Interim Savings Bank
To open a branch at 12199 Gayton Road, Henrico County, VA
BFI900334 C&S/Sovran Corporation
To acquire First Federal Savings Bank of Brunswick Georgia
BFI900335 Interim Savings and Loan Assoc.
To begin business as a savings and loan at 5th and Franklin Sts., Richmond, VA
BFI900336 First Virginia Bank - Colonial
To merge into it Interim Savings and Loan Assoc.
BFI900337 First Virginia Bank - Colonial
To open a branch at 728 E. Main St., Richmond, VA
BFI900338 First Virginia Bank - Colonial
To open a branch at 101 England St., Hanover County, VA
BFI900339 First Virginia Bank - Colonial
To open a branch at 9811 Hull St Rd., Chesterfield County, VA
BFI900340 First Virginia Bank - Colonial
To open a branch at 13180 Midlothian Turnpike, Chesterfield County, VA
BFI900341 First Virginia Bank - Colonial
To open a branch at 12199 Gayton Rd., Henrico County, VA
BFI900342 First Virginia Bank - Colonial
To open a branch at 1206 Willow Lawn Dr., Henrico County, VA
BFI900343 First Virginia Bank - Colonial
To open a branch at 8545 Patterson Ave., Henrico County, VA
BFI900344 First Virginia Bank - Colonial
To open a branch at 6845 Midlothian Turnpike, Richmond, VA
BFI900345 First Virginia Banks, Inc.
To acquire 100% of Interim Savings and Loan Association
BFI900346 CC Home Lenders Services Inc.
To sell non-filing insurance at 424-426 Maple Avenue, East, Vienna, VA
BFI900347 Bankers Mortgage Group Inc.
To relocate office from 1430 Duke Street to 211 N. Union Street, Suite 100, Alexandria, VA
BFI900348 Waterford Mortgage Corporation
To relocate office from 1301 Beverly Rd., Rm. 201 to 1320 Old Chain Bridge Rd., Suite 300, McLean, VA
BFI900349 Commonwealth Mortgage & Financial
To open an office at 5115 Bernard Drive, Suite 304, Roanoke, VA
BFI900350 Crestar Bank
To merge into it Community Trust Bank
BFI900351 United Home Mortgage Services
To relocate office from 321 E. Hundred Rd., Chester, VA to 7500 Harvest Rd., Prince George Co., VA
BFI900352 Pan-American Mortgage Co. Inc.
To open an office at 4208 Evergreen Lane, Annandale, VA
BFI900353 Trans Coastal Mortgage Corp.
To open an office at 3975 University Drive, #390, Fairfax, VA
BFI900354 Banking Services Corp.
To relocate office from 614 Bosley Ave. to 701 North Paca St., Baltimore, MD
BFI900355 Mattowler Inc.
For a license to sell money orders
BFI900356 Lynch, Michael J.
To relocate office from 7700 Leesburg Pike, #218 to #115, Falls Church, VA
BFI900357 Georgetown Mortgage Corp.
To relocate office from 7700 Leesburg Pike, #218 to #115, Falls Church, VA
BFI900358 Southern Mortgage Bankers
To conduct mortgage brokering at Route 1, Box 285, Penhook, VA
BFI900359 Eastern Financial Corp.
To open an office at 7799 Leesburg Pike, #900, Tysons Corner, VA
BFI900360 Chrysler First Financial Services
To conduct consumer finance business at 12500 Fair Lakes Circle, #250, Fairfax Co., VA

BFI900361 Capital Mortgage Company
To conduct mortgage lending and brokering at 6500 Arlington Blvd., Falls Church, VA
BFI900362 IVR Incorporated
To conduct mortgage brokering at several locations
BFI900363 Travelers Mortgage Services
To conduct mortgage lending and brokering at several locations
BFI900364 Travelers Home Equity Centers
To conduct mortgage lending and brokering at 8000 Midlantic Drive, Mt. Laurel, NJ
BFI900365 United Companies Lending Corp.
To conduct mortgage lending at several locations
BFI900366 First Colonial Mortgage Corp.
To conduct mortgage brokering at 493 McLaws Circle, #2, Williamsburg, VA
BFI900367 Green Tree Consumer Discount
To conduct mortgage lending at several locations
BFI900368 Phoenix Financial Corp., The
To open an office at 245 First Colonial Rd., VA Beach, VA
BFI900369 Norwest Financial Virginia Inc.
To conduct consumer finance business at 435 Oriana Rd., #4, Newport News, VA
BFI900371 Norwest Financial Virginia Inc.
To conduct consumer finance and sales fiance at the same location
BFI900372 Norwest Financial Virginia Inc.
To conduct consumer finance and mortgage lending at the same location
BFI900373 Norwest Financial Virginia
To conduct consumer finance and business loans at the same location
BFI900374 Norwest Financial Virginia
To conduct consumer finance and open-end lending at the same location
BFI900375 Financial Management
To relocate office from 8330 Boone Blvd., Vienna, VA to 9653 Lee Highway, Fairfax, VA
BFI900376 Financial Mortgage Inc.
To relocate office from 5444 Ashleigh Rd., Fairfax, VA to 7617 Little River Turnpike
BFI900377 Unifirst Mortgage Company Inc.
To relocate office from 104 Royal Ave. to 316 Warren Ave., Front Royal, VA
BFI900378 Consumers Mortgage Corporation
To relocate office from 3000 Bethesda Place to 2200 Silas Creek, Winston Salem, NC
BFI900379 Consumer's Mortgage Corp.
To open an office at 6972 Forest Hill Avenue, Richmond, VA
BFI900380 Hendley, Thomas B.
To conduct mortgage brokering at 1661 Darrow Street, VA Beach, VA
BFI900381 Homestead Corporation
To conduct mortgage brokering at 413 Lakewood Drive, Richmond, VA
BFI900382 Interpayment Services Limited
For authority to sell money orders
BFI900383 United Southern Mortgage Corp.
To open an office at 5900 Centreville Road, #1301, Centreville, VA
BFI900384 Bank of Hampton Roads
To open a branch at 712 Liberty Street, Chesapeake, VA
BFI900385 Fairfax Bank & Trust Company
For authority to engage in trust business
BFI900386 Ex Parte: Fees
Relating to fees to be charged in connection with certain applications
BFI900387 Lance, Louis E.
To conduct mortgage brokering at 9404 Camrose Road, Richmond, VA
BFI900388 Metro-Area Mortgage Corp.
To conduct mortgage brokering at 1335 Rockville Pike, #255, Rockville, VA
BFI900389 First Financial Funding Inc.
To conduct mortgage brokering at 8201 Greensboro Drive, McLean, VA
BFI900390 Money Store/DC Inc., The
To open an office at 10400 Eaton Place, #430, Fairfax, VA
BFI900391 First Virginia Bank - Colonial
To relocate branch from 5011 Brook Rd., Richmond, VA to Brook Run Shopping Center, Henrico Co., VA
BFI900392 Mountain States Mortgage Center
To conduct mortgage lending at 1333 E. 9400 South, Sandy, UT
BFI900393 United First Mortgage, Inc.
To conduct mortgage brokering at several locations
BFI900394 First Fidelity Mortgage Corp.
To relocate office from 2217 Princess Anne St., #102C, Fredericksburg, VA to 10468 Courthouse Rd., Spotsylvania, VA
BFI900395 Jefferson Mortgage Group, Ltd.
To relocate office from 14112-B Lee Highway, Centreville, VA to 10605 Judicial Dr., UnitA-4, Fairfax, VA
BFI900396 Potomac Home Mortgage Corp.
To conduct mortgage brokering at 6701 Democracy Blvd., #300, Bethesda, MD
BFI900397 Planners, Inc., The
To conduct mortgage brokering at 9891 Broken Land Parkway, 100, Columbia, MD

BFI900398 Central Money Mortgage Co.
To relocate office from 7811 Montrose Rd., Potomac, MD to 1192 Rockville Pike, Rockville, MD
BFI900399 Eastern Financial Corp.
To relocate office from 3959 Electric Rd. to 5320 Peters Creek Rd., Roanoke, VA
BFI900400 Norwest Financial Virginia Inc.
To conduct consumer finance business and sell single interest property insurance at several locations
BFI900401 Far East Financial Company
To establish an office at 4208 Evergreen Lane, #232, Annandale, VA
BFI900402 Moser, Thomas III
To conduct mortgage brokering at Route 3, Box 193-B, Floyd, VA
BFI900403 Town & Country Mortgage
To conduct mortgage brokering at several locations
BFI900404 Hijjawi, Basel M.
To conduct mortgage brokering at 113 South Alfred Street, Alexandria, VA
BFI900405 First Government Investors
To conduct mortgage lending and brokering at 8204 Corporate Drive, Landover, MD
BFI900406 Weir Enterprises Incorporated
To conduct mortgage brokering at 422 South St. Asaph Street, Alexandria, VA
BFI900407 First Virginia Bank
To open a branch at 12435 Dellingham Square, Woodbridge, VA
BFI900408 Clark, Mark W.
Alleged violation of VA Code § 6.1-416.1
BFI900409 Gibboney, Steven C.
Alleged violation of VA Code § 6.1-416.1
BFI900410 Associates Financial Services
To relocate office from Oyster Point Rd. #13 to Oyster Point Rd. #7, Newport News, VA
BFI900411 Associates Financial Services
To relocate office from Oyster Point Rd. #13 to Oyster Point Rd. #7, Newport News, VA
BFI900412 Williams, Artis
To relocate office from Rolling Rd. to Backlick Rd., Springfield, VA
BFI900413 Ford Consumer Finance Company
To relocate office from Cypress Center Drive to Boy Scout Blvd., Tampa, FL
BFI900414 Christopher Funding LP.
To relocate office from Old Courthouse Road to Beverly Road, McLean, VA
BFI900415 Consumers Home Mortgage Corp.
To conduct mortgage brokering at 140 Little Falls St., Falls Church, VA
BFI900416 Central Fidelity Bank
To open a branch at 1832 Kempsville Road, VA Beach, VA
BFI900417 Tidewater Mortgagee Service
To conduct mortgage lending at 3630 South Plaza Trail, #200, VA Beach, VA
BFI900418 White, B. Tucker Jr.
To conduct mortgage brokering at 522 South Loudoun Street, Winchester, VA
BFI900419 First Virginia Bank-South Hill
To open a branch at Rts. 903 and 619, Lake Gaston, Bracey, VA
BFI900420 Chrysler First Financial Services
To open a consumer finance office at 8109 Staples Mill Rd., Richmond, VA
BFI900421 Financial Mortgage Inc.
To conduct mortgage lending at 7617 Little River Turnpike, Annandale, VA
BFI900422 Cesefske, Ellen J.
To relocate office from Main Street, Stephens City to Rt. 2A, Box 109, Boyce, VA
BFI900423 Segal, Robert L.
To relocate office from 5803 Rolling Road, Suite 201 to 6560 Backlick Road, Suite 210, Springfield, VA
BFI900424 First American Bank of VA
To open a branch at Parcel 21, Lot 2, Westfields Office Park, Fairfax Co., VA
BFI900425 Thongphanith, Vieng
To conduct mortgage brokering at 7002 Little River Turnpike, Suite J, Annandale, VA
BFI900426 First American Financial Group
To acquire 100% of Beneficial Industrial Loan Association
BFI900427 Commercial Credit Loans
To conduct consumer finance business and sales finance at the same location
BFI900428 Commercial Credit Loans
To conduct consumer finance business and credit property insurance at the same location
BFI900429 Commercial Credit Loans
To conduct consumer finance business and non-filing insurance at the same location
BFI900430 Commercial Credit Loans
To conduct consumer finance business and open-end lending at the same location
BFI900431 Commercial Credit Loans
To conduct consumer finance business and mortgage lending at the same location
BFI900432 Commercial Credit Loans
To conduct consumer finance business at 12917 Jefferson Ave., Newport News, VA
BFI900433 Lay, Charles Francis
To relocate office from Rolling Road to Backlick Road, Springfield, VA

BFI900434 Margaretten & Company Inc.
To open an office at 183 Keith Street, Warrenton, VA
BFI900435 Green Tree Acceptance of North Carolina Inc.
To conduct mortgage lending at certain locations
BFI900436 Market Rate Financial Services
To conduct mortgage brokering at 512 Governor Circle, Wilmington, DE
BFI900437 Jenkins, Wayne M.
To relocate office from 5803 Rolling Road to 6560 Backlick Road, Springfield, VA
BFI900438 Hinton Mortgage Company
To conduct mortgage brokering at 11 Stoneridge Drive, Suites 203 and 204, Waynesboro, VA
BFI900439 Washington Suburban Financial
To conduct mortgage lending at 6828 Commerce Street, Springfield, VA
BFI900440 Signet Bank/Virginia
To relocate branch from Midlothian Turnpike to Branchway Road, Chesterfield Co., VA
BFI900441 Mortgage Centers Inc. T/A Essex
To open an office at 2720 Enterprise Parkway, Suite 105, Richmond, VA
BFI900442 Chrysler First Financial Services
To conduct consumer finance and mortgage lending at the same locations
BFI900443 Transamerica Finance Group
To conduct consumer finance business at 2965 Colonnade Drive, Roanoke, VA
BFI900444 Transamerica Finance Group
To conduct consumer finance business and mortgage lending at the same location
BFI900445 Eastern Financial Corp.
To relocate office from 7799 Leesburg Pike to 8150 Leesburg Pike, Vienna, VA
BFI900446 Commercial Credit Corporation
To establish an additional mortgage office at 767 8E, Richmond Highway, Alexandria, VA
BFI900447 Commercial Credit Corporation
To establish an additional mortgage office at 716 Timberlake Shopping Center, VA Beach, VA
BFI900448 Commercial Credit Corporation
To establish an additional mortgage office at 192 3 S. Church St., Smithfield, VA
BFI900449 Commercial Credit Corp.
To establish an additional mortgage office at 8245 Hull Street Road, Richmond, VA
BFI900450 Commercial Credit Corp.
To establish an additional mortgage office at 1539 Parham Rd., Richmond, VA
BFI900451 Commercial Credit Corp.
To establish an additional mortgage office at 4213 Portsmouth Blvd., Portsmouth, VA
BFI900452 Commercial Credit Corp.
To establish an additional mortgage office at 7862 Tidewater Drive #3, Norfolk, VA
BFI900453 Commercial Credit Corp.
To establish an additional mortgage office at 605 Newmarket Drive, Newport News, VA
BFI900454 Commercial Credit Corp.
To establish an additional mortgage office at 2609 Wards Road, Lynchburg, VA
BFI900455 Commercial Credit Corp.
To establish an additional mortgage office at 531-C East Market Street, Leesburg, VA
BFI900456 Commercial Credit Corp.
To establish an additional mortage office at 478 Elden Street, Herndon, VA
BFI900457 Commercial Credit Corp.
To establish an additional mortgage office at 5216 George Washington Highway, Grafton, VA
BFI900458 Commercial Credit Corp.
To establish an additional mortgage office at 12639 Jefferson Davis Highway, Chester, VA
BFI900459 Commercial Credit Corp.
To establish an additional mortgage office at 316 A Battlefield Blvd., Chesapeake, VA
BFI900460 Commercial Credit Corp.
To establish an additional mortgage office at 1401 Greenbrier Parkway, Chesapeake, VA
BFI900461 Commercial Credit Corp.
To establish an additional mortgage office at Highway 17, Carrollton, VA
BFI900462 Provident Mortgage Corp.
To relocate mortgage office from 109 East Main Street to 10589 James Madison Highway, Orange Co., VA
BFI900463 Premier Mortgage Corp.
To conduct mortgage brokering at 952 Gallows Rd., Suite 303, Vienna, VA
BFI900464 Virginia Financial Consultants Inc.
To conduct mortgage brokering at 2019 Cunningham Dr. #306, Hampton, VA
BFI900465 Household Finance
To conduct mortgage brokering at several locations
BFI900466 Money Store/DC Inc.
To open a mortgage office at 3750 University Blvd. #28, Kensington, MD
BFI900467 Laforce, Larry Dean
To relocate mortgage office from 1218 2nd Street, Richlands, VA to 108 Marion Ave., Tazewell, VA

CLK: CLERK'S OFFICE

CLK900040 Election of Chairman
Pursuant to VA Code § 12.1-7

CLK900141 SNB, Inc.
For correcting order

CLK900301 Virginia Turfgrass Inc. & Virginia Turf Grass Products, Inc.
To reflect intended name change

CLK900632 Edison Realty Co., Inc.
For correcting order

CLK900798 Tradewinds International Inc. & Tradewings International, Inc.
For amending order

CLK901426 Nathan's Old Time Deli Inc.
For order of involuntary dissolution

CLK902285 Casey & Osh, Inc.
Foreign max case stimulus

CLK902287 Cross Creek Apparel, Inc.
Foreign max case stimulus

CLK902400 Dollar-Dry Dock Savings Bank of New York
Foreign max case stimulus

CLK902439 Hendrix Company, Tom E.
Foreign max case stimulus

CLK902440 Woman's World Shops, Inc.
Foreign max case stimulus

CLK902518 International Science & Technology, Inc.
Foreign max case stimulus

CLK902521 Telesciences C O Systems, Inc.
Foreign max case stimulus

CLK902522 Children's Place Retail Stores
Foreign max case stimulus

CLK902538 Sonoco Products Company
Foreign max case stimulus

CLK902539 Investment Life Insurance Company
Foreign max case stimulus

CLK902540 Williams-Sonoma Stores, Inc.
Foreign max case stimulus

CLK902541 Designed Furniture Associates
Foreign max case stimulus

CLK902542 Medivision, Inc.
Foreign max case stimulus

CLK902555 Forsythe/McArthur Associates
Foreign max case stimulus

CLK902590 Gibbs & Hill, Inc.
Foreign max case stimulus

CLK902591 Kearney-National Inc.
Foreign max case stimulus

CLK902592 USAir Group, Inc.
Foreign max case stimulus

INS: BUREAU OF INSURANCE

INS900001 Progressive Casualty Insurance Co.
Alleged violation of VA Code § 38.2-1812.A

INS900002 Provident General Insurance Co.
Alleged violation of VA Code § 38.2-1812.A

INS900003 Ex Parte: Rules
Adoption of rules to implement transitional requirement for conversion of Medicare supplement insurance benefits and premiums

INS900004 Gay, John R. Jr.
Alleged violation of VA Code §§ 38.2-302 and 38.2-512

INS900005 Wheal, Gregory J.
Alleged violation of VA Code §§ 38.2-1838 and 38.2-1839

INS900006 Liberty Mutual Insurance Co.
Alleged violation of VA Code § 38.2-1906

INS900007 Lewellyn, Mary Ann & Mal Associates, Inc.
Alleged violation of VA Code §§ 38.2-1813 et al.

INS900008 Huntington T. Block Insurance Agency, Inc.
Alleged violation of VA Code § 38.2-4806

INS900009 Parsons, Charles William & Bill Parsons Insurance Agency
Alleged violation of VA Code § 38.2-1813

INS900010 Pacific Standard Life Insurance Co.
For suspension or revocation of license

INS900011 National Surety Corporation
Alleged violation of VA Code § 38.2-1906
INS900012 American Insurance Co., The
Alleged violaiton of VA Code § 38.2-1906
INS900013 Fireman's Fund Insurance Co.
Alleged violation of VA Code § 38.2-1906
INS900014 Cambridge Mutual Fire Insurance Co.
Alleged violation of VA Code §§ 38.2-1906 and 38.2-317
INS900015 Transamerica Insurance Co.
Alleged violation of VA Code § 38.2-1906
INS900016 Bay State Insurance Co.
Alleged violation of VA Code §§ 38.2-1906 and 38.2-317
INS900017 Merrimack Mutual Fire Insurance Co.
Alleged violation of VA Code §§ 38.2-1906 and 38.2-317
INS900018 Colonia Insurance Co. (U.S. Branch)
Alleged violation of VA Code § 38.2-2228.1
INS900019 Risk Administrators Inc.
Alleged violation of VA Code § 38.2-1838
INS900020 Cosby, George H. III
Alleged violation of VA Code § 38.2-1838
INS900021 Marsh & McLennan Inc.
Alleged violation of VA Code § 38.2-1802
INS900022 Weir Insurance Group Inc.
Alleged violation of VA Code § 38.2-1802
INS900023 J. I. Kislak Insurance Services Inc.
Alleged violation of VA Code § 38.2-1822
INS900024 Great American Insurance Co.
Alleged violation of VA Code § 38.2-1822
INS900025 PHH US Mortgage Corporation
Alleged violation of VA Code §§ 38.2-1822 and 38.2-509
INS900026 National Business Association Trust & National Benefit Administrators Inc.
Alleged violation of Rules Governing Multiple Employer Health Care Plans
INS900027 Mutual Assurance Society of VA
For approval to transact business with a member of its board of directors
INS900028 Mayfield, Reuben Jr. & Mayfield Insurance Agency, Inc.
Alleged violation of VA Code § 38.2-1804
INS900029 Physicians Health Plan Inc.
To eliminate impairment and restore surplus to minimum amount required by law
INS900030 Deans & Homer
Alleged violation of VA Code §§ 38.2-1822 and 38.2-1812
INS900031 Virginia Automobile Dealers Assoc.
For temporary injunction
INS900032 Crestar Insurance Agency Inc.
Alleged violation of VA Code § 38.2-1812.A
INS900033 Merastar Insurance Co. (formerly Provident General Insurance Co.)
Alleged violation of VA Code §§ 38.2-317 et al.
INS900034 Pima Capital Company
For authorization to acquire American Agency Life Insurance Co.
INS900035 State Farm Insurance Companies
Alleged violation of VA Code § 38.2-1810
INS900036 Tri-City Insurance Brokers Inc.
Alleged violation of VA Code § 38.2-1802
INS900037 Chesapeake Underwriters Ltd.
Alleged violation of VA Code § 38.2-4806
INS900038 United American Acceptance Corp.
Alleged violation of VA Code § 38.2-4701
INS900039 United American Acceptance Corp.
Alleged violation of VA Code § 38.2-4701
INS900040 Brandermill Woods Ltd.
Alleged violation of VA Code § 38.2-4915
INS900041 Kelley, Jr. Lyman M. and A. L. Kelley & Son, Inc.
Alleged violation of VA Code § 38.2-1813
INS900042 Hilb, Rogal & Hamilton Co. of Richmond
Alleged violation of VA Code § 38.2-4806
INS900043 Mapes & Company
Alleged violation of VA Code § 38.2-1802
INS900044 Worldwide Underwriters Insurance Co.
Alleged violation of VA Code § 38.2-5020
INS900045 Rockwood Insurance Company
Alleged violation of VA Code § 38.2-5020
INS900046 Paxton National Insurance Co.
Alleged violation of VA Code § 38.2-5020

INS900047 Capital Enterprise Insurance Co.
Alleged violation of VA Code § 38.2-5020
INS900048 American Road Insurance Co.
Alleged violation of VA Code § 38.2-5020
INS900049 Equitable Life Assurance Society, The
Alleged violation of VA Code § 38.2-316
INS900050 Mutual Life Insurance Co. of New York
Alleged violation of Section VII (2)(B) of Rules Governing Life Insurance Replacements
INS900051 Peerless Insurance Co. & First of Georgia Insurance
Alleged violation of VA Code §§ 38.2-231 et al.
INS900052 State Capital Insurance Co.
Alleged violation of VA Code §§ 38.2-231, 38.2-304, et al.
INS900053 Heritage Brokerage Ltd.
Alleged violation of VA Code §§ 38.2-1802 and 38.2-4809
INS900054 Millers National Insurance Co.
To eliminate impairment in surplus and restore same to minimum amount required by law
INS900056 Studivant, Frank L.
Alleged violation of VA Code § 38.2-1805.A
INS900057 Coker, Arlo Van Jr.
Alleged violation of VA Code § 38.2-1805.A
INS900058 Abesa, Cornelio C. IV
Alleged violation of VA Code § 38.2-1813
INS900059 West, John Thomas
For voluntary surrender of agent's license
INS900060 Harvey, Sharon Buhls
For voluntary surrender of agent's license
INS900061 Gantt, John L. & Auto Specialists, Inc.
Alleged violation of VA Code §§ 38.2-1813 and 38.2-2015.B
INS900062 Stein, William J.
Alleged violation of VA Code § 38.2-512
INS900063 Forbes, Jr. Rufus Bradley
Alleged violation of VA Code § 38.2-1805.A
INS900064 Lewis, Ueston
Alleged violation of VA Code § 38.2-1805.A
INS900065 Ward, Bonnie D.
Alleged violation of VA Code § 38.2-1805.A
INS900066 Brabble, Janice Davenport
Alleged violation of VA Code § 38.2-1805.A
INS900067 Whiteside, Charles Malcolm
Alleged violation of VA Code § 38.2-1805.A
INS900068 Stokes, Robert Ellis
Alleged violation of VA Code § 38.2-1805.A
INS900069 Cash, Donald E.
Alleged violation of VA Code § 38.2-1805.A
INS900070 Kinsey, Melba Faye
Alleged violation of VA Code § 38.2-1805.A
INS900071 Harvey, Dorothy Reid
Alleged violation of VA Code § 38.2-1805.A
INS900072 Palmer, David Ballinger
Alleged violation of VA Code §§ 38.2-1813, 38.2-310 and 38.2-1809
INS900073 Virginia Farm Bureau Mutual Insurance Co.
For approval of redemption of certificates pursuant to VA Code § 38.2-1034
INS900074 Virginia Independent Coal Operators Assoc. Benefit Plan & McDonough Capterton Benefit
Alleged violation of Rules Governing Multiple Employer Health Care Plans
INS900076 Granite State Insurance Co.
Alleged violation of VA Code § 38.2-1906
INS900077 New Hampshire Insurance Co.
Alleged violation of VA Code § 38.2-1906
INS900078 Southern Insurance Co. of VA
Alleged violation of VA Code § 38.2-1906
INS900079 Pennsylvania National Mutual Casualty
Alleged violation of VA Code § 38.2-1906
INS900080 Continental Insurance Co.
Alleged violation of VA Code §§ 38.2-1906 and 38.2-317
INS900081 Glens Falls Insurance Co.
Alleged violation of VA Code §§ 38.2-1906 and 38.2-317
INS900082 Prudential Property & Casualty Insurance Co.
Alleged violation of VA Code § 38.2-317
INS900083 Automobile Club Insurance Co.
Alleged violation of VA Code § 38.2-2014
INS900084 Equitable Life Insurance Co. & American General Corp.
Petition for restraining order and issuance of rule to show cause

INS900085 Hufford, Thomas M. & Hufford Insurance & Investment Agency, Inc.
Alleged violation of VA Code § 38.2-1813
INS900086 Marshall, Charles Thomas
Alleged violation of VA Code §§ 38.2-1813 and 38.2-1804
INS900087 Prudential Property & Casualty Insurance Co.
Alleged violation of VA Code § 38.2-1833
INS900088 Thomas E. Sears Inc.
Alleged violation of VA Code § 38.2-1802
INS900089 Chesapeake Life Insurance Co., The
To eliminate impairment and restore surplus to minimum amount required by law
INS900090 American Security Life
To eliminate impairment and restore minimum surplus to amount required by law
INS900091 Transport Life Insurance Co.
Alleged violation of VA Code §§ 38.2-502.1, 38.2-511 et al.
INS900092 Williams William C. MD
Alleged violation of VA Code § 38.2-5020
INS900094 Albers William R. MD
Alleged violation of VA Code § 38.2-5020
INS900095 Ahmed Mehboob MD
Alleged violation of VA Code § 38.2-5020
INS900096 Greenhalgh John S. MD
Alleged violation of VA Code § 38.2-5020
INS900097 Galal Fathy S. MD
Alleged violation of VA Code § 38.2-5020
INS900098 Adham Medhi N. MD
Alleged violation of VA Code § 38.2-5020
INS900099 Hatef Abolghassem, MD
Alleged violation of VA Code § 38.2-5020
INS900100 Laughlin Paul H., MD
Alleged violation of VA Code § 38.2-5020.D
INS900101 Honablue Richard R. MD
Alleged violation of VA Code § 38.2-5020
INS900102 Darracott Mixon M. MD
Alleged violation of VA Code § 38.2-5020
INS900103 Hill Robert W. MD
Alleged violation of VA Code § 38.2-5020
INS900104 Duperret Donald L. MD
Alleged violation of VA Code § 38.2-5020
INS900105 Echols, William B. MD
Alleged violation of VA Code § 38.2-5020.D
INS900106 Santafe Insurance Co
To eliminate impairment in surplus and restore minimum surplus to amount required by law
INS900107 Beatie Williams E., MD
Alleged violation of VA Code § 38.2-5020
INS900108 Johnson, Ray M., MD
Alleged violation of VA Code § 38.2-5020
INS900109 Deramos, Rafael K., MD
Alleged violation of VA Code § 38.2-5020
INS900110 Fonseca, Olimpo F., MD
Alleged violation of VA Code § 38.2-5020
INS900111 Benveniste Raoul E. MD
Alleged violation of VA Code § 38.2-5020
INS900112 Harris, Denis R. MD
Alleged violation of VA Code § 38.2-5020
INS900113 Friedman Roger J., MD
Alleged violation of VA Code § 38.2-5020
INS900114 Debara Roberto J. MD
Alleged violation of VA Code § 38.2-5020.D
INS900115 Guerrero Fortunato M. MD
Alleged violation of VA Code § 38.2-5020
INS900116 Zain Harry A. MD
Alleged violation of VA Code § 38.2-5020
INS900117 Cheng, Andrew H. MD
Alleged violation of VA Code § 38.2-5020
INS900118 Berling, Donald P. MD
Alleged violation of VA Code § 38.2-5020
INS900119 Gordon, Daniel B. MD
Alleged violation of VA Code § 38.2-5020
INS900120 Barber, Mildred P. MD
Alleged violation of VA Code § 38.2-5020
INS900121 Coleman, Ashby MD
Alleged violation of VA Code § 38.2-5020

INS900122 Jamaludeen, Abdul H. MD
Alleged violation of VA Code § 38.2-5020
INS900123 Guzzetta, Philip C.
Alleged violation of VA Code § 38.2-5020
INS900124 Kistler, Philip C. MD
Alleged violation of VA Code § 38.2-5020
INS900125 Holmes, William S. MD
Alleged violation of VA Code § 38.2-5020
INS900126 Lewis, Terry D. MD
Alleged violation of VA Code § 38.2-5020
INS900127 Lim, Edmon Wang K. MD
Alleged violation of VA Code § 38.2-5020
INS900128 Jackson, Gustvus V. MD
Alleged violation of VA Code § 38.2-5020
INS900129 Marcum, Gregory C. MD
Alleged violation of VA Code § 38.2-5020
INS900130 Lustig, David M. MD
Alleged violation of VA Code § 38.2-5020.D
INS900131 Marshall, John T. MD
Alleged violation of VA Code § 38.2-5020.D
INS900132 Maybach, Eric J. MD
Alleged violation of VA Code § 38.2-5020
INS900133 Zamzam, Salih M. MD
Alleged violation of VA Code § 38.2-5020
INS900134 Martire, Isabella C. MD
Alleged violation of VA Code § 38.2-5020
INS900135 Mcneer, Keith W. MD
Alleged violation of VA Code § 38.2-5020.D
INS900136 Morgan, Jean E. MD
Alleged violation of VA Code § 38.2-5020
INS900137 Morris, Douglas C. MD
Alleged violation of VA Code § 38.2-5020
INS900138 Omidyar, Cyrus MD
Alleged violation of VA Code § 38.2-5020.D
INS900139 Munthali, Eliot D. MD
Alleged violation of VA Code § 38.2-5020.D
INS900140 Orr, Robert A. MD
Alleged violation of VA Code § 38.2-5020.D
INS900141 Patel, Bhaskar R. MD
Alleged violation of VA Code § 38.2-5020
INS900142 Eryilmaz, Nurettin MD
Alleged violation of VA Code § 38.2-5020.D
INS900143 Khuri, Emile I. MD
Alleged violation of VA Code § 38.2-5020
INS900144 Muchmore, Andrew V. MD
Alleged violation of VA Code § 38.2-5020
INS900145 Pittman, Aprile MD
Alleged violation of VA Code § 38.2-5020
INS900146 Perez, Edward David MD
Alleged violation of VA Code § 38.2-5020
INS900147 Recht, Keith A. MD
Alleged violation of VA Code § 38.2-5020
INS900148 Rice, Doris M. MD
Alleged violation of VA Code § 38.2-5020
INS900149 Ramos-Lopez, Severine R. MD
Alleged violation of VA Code § 38.2-5020
INS900150 Herbert, Anita J. MD
Alleged violation of VA Code § 38.2-5020
INS900151 Soria, Estanislao V. MD
Alleged violation of VA Code § 38.2-5020.D
INS900152 Stage, William S. MD
Alleged violation of VA Code § 38.2-5020
INS900153 Patel, Urmila M. MD
Alleged violation of VA Code § 38.2-5020
INS900154 Wieder, Sheldon MD
Alleged violation of VA Code § 38.2-5020
INS900155 Youssef, Ali H. MD
Alleged violation of VA Code § 38.2-5020
INS900156 Yee, Kim B. MD
Alleged violation of VA Code § 38.2-5020
INS900157 Zuckerman, Ellis N. MD
Alleged violation of VA Code § 38.2-5020

INS900158 Vogel, Ruth MD
Alleged violation of VA Code § 38.2-5020
INS900159 Weber, Susan L. MD
Alleged violation of VA Code § 38.2-5020
INS900160 Widome, Allen MD
Alleged violation of VA Code § 38.2-5020
INS900161 Wilcox, Haward D. MD
Alleged violation of VA Code § 38.2-5020
INS900162 Webb, Charles R. MD
Alleged violation of VA Code § 38.2-5020.D
INS900163 Ward, Emily W. MD
Alleged violation of VA Code § 38.2-5020
INS900164 Scott, Morgan E. MD
Alleged violation of VA Code § 38.2-5020.D
INS900165 Rice, David B. MD
Alleged violation of VA Code § 38.2-5020.D
INS900166 Sood, Dida K. MD
Alleged violation of VA Code § 38.2-5020
INS900167 Williams, Elizabeth K. MD
Alleged violation of VA Code § 38.2-5020.D
INS900168 Rollins Burdick Hunter of New York, Inc.
Alleged violation of VA Code § 38.2-4806
INS900169 Rakes, Richard L. Sr
Alleged violation of VA Code § 38.2-1813
INS900170 Vines, Joseph R. Jr.
Alleged violation of VA Code § 38.2-512
INS900171 Kirby, Thomas Jefferson Jr.
Alleged violation of VA Code § 38.2-1813
INS900172 Assenat, Bryan David et al.
Alleged violation of VA Code § 38.2-1805.A
INS900173 Nationwide Legal Services of Virginia Inc.
For revocation or suspension of license
INS900174 Pence, Carolyn V. & Snyder-Pence Insurance Agency
Alleged violation of VA Code § 38.2-1813
INS900175 Carson and Long Agency Inc.
Alleged violation of SCC check policy
INS900176 Montgomery General Agency Inc. of Virginia
Alleged violation of VA Code § 38.2-1802
INS900177 Victoria Fire & Casualty Co.
Alleged violation of VA Code § 38.2-1300
INS900178 Millers National Insurance Co.
Alleged violation of VA Code § 38.2-1300
INS900179 Confederation Life Insurance
Alleged violation of VA Code § 38.2-1300
INS900180 Metropolitan Casualty Insurance
Alleged violation of VA Code § 38.2-1905.2
INS900181 Metropolitan Property and Liability Insurance Co.
Alleged violation of VA Code § 38.2-1905.2
INS900182 First General Insurance Co.
Alleged violation of VA Code § 38.2-1905.2
INS900183 Metropolitan General Insurance Co.
Alleged violation of VA Code § 38.2-1905.2
INS900184 Brotherhood Mutual Insurance
Alleged violation of VA Code § 38.2-1905.2
INS900185 American Economy Insurance Co.
Alleged violation of VA Code § 38.2-1905.2
INS900186 Covenant Insurance Company
Alleged violation of VA Code § 38.2-1905.2
INS900187 Aetna Casualty and Surety Co. of America
Alleged violation of VA Code § 38.2-1905.2
INS900188 Valiant Insurance Company
Alleged violation of VA Code § 38.2-1905.2
INS900189 Maryland Casualty Company
Alleged violation of VA Code § 38.2-1905.2
INS900190 Assurance Company of America
Alleged violation of VA Code § 38.2-1905.2
INS900191 Northern Insurance Co. of New York
Alleged violation of VA Code § 38.2-1905.2
INS900192 National Grange Mutual Insurance Co.
Alleged violation of VA Code § 38.2-1905.2
INS900193 Preserver Assurance Co., The
Alleged violation of VA Code § 38.2-1905.2

INS900194 Greater New York Mutual Insurance Co.
Alleged violation of VA Code § 38.2-1905.2
INS900195 Owners Insurance Company
Alleged violation of VA Code § 38.2-1905.2
INS900196 American States Insurance Co.
Alleged violation of VA Code § 38.2-1905.2
INS900197 American Union Reinsurance Co.
Alleged violation of VA Code § 38.2-1905.2
INS900198 How Insurance Co., A Risk Retention Group
Alleged violation of VA Code § 38.2-1905.2
INS900199 Lm Insurance Corporation
Alleged violation of VA Code § 38.2-1905.2
INS900200 Continental Reinsurance Corp.
Alleged violation of VA Code § 38.2-1905.2
INS900201 Hartford Steam Boiler Inspection & Insurance Co.
Alleged violation of VA Code § 38.2-1905.2
INS900202 First Liberty Insurance Corp.
Alleged violation of VA Code § 38.2-1905.2
INS900203 Valiant Insurance Company
Alleged violation of VA Code § 38.2-1906
INS900204 Stacy, Rosemary
Alleged violation of VA Code § 38.2-1822
INS900205 Anders, Brenda E.
Alleged violation of VA Code § 38.2-1822
INS900206 American Central Insurance Co.
Alleged violation of VA Code § 38.2-1905.2
INS900207 Allstate Insurance Company
Alleged violation of VA Code § 38.2-1834
INS900208 Reliance National Insurance Co.
Alleged violation of VA Code § 38.2-1905.2
INS900209 Main Street America Assurance Co.
Alleged violation of VA Code § 38.2-1905.2
INS900210 Nationwide General Insurance Co.
Alleged violation of VA Code § 38.2-1905.2
INS900211 Nationwide Property & Casualty Insurance Co.
Alleged violation of VA Code § 38.2-1905.2
INS900212 Monumental General Casualty Co.
Alleged violation of VA Code § 38.2-1905.2
INS900213 Seneca Insurance Co., Inc.
Alleged violation of VA Code § 38.2-1905.2
INS900214 Farmers Insurance Exchange
Alleged violation of VA Code § 38.2-1905.2
INS900215 Cigna Reinsurance Company
Alleged violation of VA Code § 38.2-1905.2
INS900216 Castle Insurance Company
Alleged violation of VA Code § 38.2-1905.2
INS900217 Electric Insurance Company
Alleged violation of VA Code § 38.2-1905.2
INS900218 Houston General Insurance Co.
Alleged violation of VA Code § 38.2-1905.2
INS900219 Atlantic Casualty & Fire Insurance
Alleged violation of VA Code § 38.2-1905.2
INS900220 Insurance Company of Florida
Alleged violation of VA Code § 38.2-1905.2
INS900221 Lansdon, William K.
Alleged violation of VA Code § 38.2-512
INS900222 Amex Assurance Company
Alleged violation of VA Code § 38.2-1905.2
INS900223 International Cargo & Surety Insurance Co.
Alleged violation of VA Code § 38.2-1905.2
INS900224 Amerisure Insurance Company
Alleged violation of VA Code § 38.2-1905.2
INS900225 Michigan Mutual Insurance Co.
Alleged violation of VA Code § 38.2-1905.2
INS900226 Rowland, Chris W.
Alleged violation of VA Code § 38.2-1813
INS900227 Mccarter, Mark Alan
For voluntary surrender of license
INS900228 California Compensation Insurance Co.
Alleged violation of VA Code § 38.2-1906
INS900229 Massachusetts Bay Insurance Co.
Alleged violation of VA Code § 38.2-1906

INS900230 Hanover Insurance Co., The
Alleged violation of VA Code § 38.2-1906
INS900231 Smith-Sternau Organization
Alleged violation of VA Code § 38.2-4806
INS900232 California Compensation Insurance Co.
Alleged violation of VA Code § 38.2-1905.2
INS900234 Hanover Insurance Co.
Alleged violation of VA Code § 38.2-1905.2
INS900235 Massachusetts Bay Insurance Co.
Alleged violation of VA Code § 38.2-1905.2
INS900236 International Service Insurance Co.
Alleged violation of VA Code § 38.2-1905.2
INS900237 Merchants and Business Men's Mutual Insurance Co.
Alleged violation of VA Code § 38.2-1905.2
INS900238 Chrysler Insurance Co.
Alleged violation of VA Code § 38.2-1905.2
INS900239 Coronet Insurance Co.
Alleged violation of VA Code § 38.2-1905.2
INS900240 Truck Insurance Exchange
Alleged violation of VA Code § 38.2-1905.2
INS900242 Planet Insurance Company
Alleged violation of VA Code § 38.2-1833.A
INS900243 American Bankers Insurance Co. of Florida
Alleged violation of VA Code § 38.2-1905.2
INS900244 Argonaut Insurance Company
Alleged violation of VA Code § 38.2-1905.2
INS900245 Voyager Guaranty Insurance Co.
Alleged violation of VA Code § 38.2-1905.2
INS900246 Argonaut-Midwest Insurance Co.
Alleged violation of VA Code § 38.2-1905.2
INS900247 United Equitable Insurance Co.
Alleged violation of VA Code § 38.2-1905.2
INS900248 Academy Life Insurance Co.
Alleged violation of VA Code §§ 38.2-512 and 38.2-514
INS900249 Southall, Marvin Lewis
Alleged violation of VA Code § 38.2-1805.A
INS900250 Nave, Robert Dwight
Alleged violation of VA Code § 38.2-1805.A
INS900251 Stratford House Inc.
Alleged violation of VA Code § 38.2-4904
INS900252 Hutchinson, James Michael
Alleged violation of VA Code § 38.2-512
INS900253 Corroon & Black Co. of New York
Alleged violation of VA Code § 38.2-1802
INS900254 Marsh & McLennan Inc.
Alleged violation of VA Code § 38.2-1802
INS900255 Yoakum, William F.
Alleged violation of VA Code § 38.2-1813
INS900256 Ex Parte: 1235 Determination
Determination of competition as effective regulator of rates pursuant to VA Code § 38.2-1905.1.E
INS900257 Northup, Jr. William Henry
Alleged violation of VA Code § 38.2-1831.9
INS900258 Transamerica Title Insurance Co.
For acquisition of control of domestic insurer Southern Title Insurance Co.
INS900259 Northern Insurance Co. of New York
Alleged violation of VA Code § 38.2-1906
INS900260 Maryland Casualty Company
Alleged violation of VA Code § 38.2-1906
INS900261 North Island Facilities Ltd.
Alleged violation of VA Code § 38.2-1802
INS900262 Stratford House Inc.
Alleged violation of VA Code § 38.2-4904
INS900263 Premium Payment Plan Inc.
Alleged violation of Section 6.1 of Rules Governing Insurance Premium Finance Cos.
INS900264 Montgomery Ward Insurance Co.
Alleged violation of VA Code § 38.2-1905.2
INS900265 Abdullah, Tawfik et al.
Alleged violation of VA Code § 38.2-1805.A
INS900266 NN Investors Life Insurance Co.
Alleged violation of VA Code § 38.2-502.1
INS900267 Sentara Health Plans Inc.
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INS900268 National Union Life Insurance Co.
For approval of surrender of license and transfer of assets pursuant to VA Code § 38.2-216
INS900269 Virginia Farm Bureau Mutual Insurance Co.
For approval of redemption of certificates pursuant to VA Code § 38.2-1034
INS900270 Southall Marvin Lewis
Alleged violation of VA Code § 38.2-1805.A
INS900271 Civil Service Employees Insurance Co.
Alleged violation of VA Code § 38.2-1905.2
INS900272 West, John Thomas
Alleged violation of VA Code § 38.2-1831
INS900273 National Grange Mutual Insurance Co.
Alleged violation of VA Code § 38.2-1905.2
INS900274 E. G. Murphy, III Inc.
Alleged violation of VA Code § 38.2-1812.A
INS900275 Southern Insurance Co. of Virginia
Alleged violation of VA Code §§ 38.2-231, 38.2-2113 et al.
INS900276 Mission American Insurance Co.
Alleged violation of VA Code §§ 38.2-1040 and 38.2-1041
INS900277 Prudential Commercial Insurance Co.
Alleged violation of VA Code § 38.2-1905.2
INS900278 Prudential Property & Casualty Insurance Co.
Alleged violation of VA Code § 38.2-1905.2
INS900279 Wiley, Ashton M. Jr.
Alleged violation of VA Code § 38.2-1813
INS900280 Trans-Pacific Insurance Co.
Alleged violation of VA Code § 38.2-1024.A
INS900281 Shearson Lehman Hutton Mortgage Corp.
Alleged violation of VA Code § 38.2-513.A.4
INS900282 National Council on Compensation Insurance
For revised workers compensation rates
INS900283 North River Insurance Co. et al.
Alleged violation of VA Code §§ 38.2-231, 38.2-304 et al.
INS900284 Marshall Insurance Agency Inc.
Alleged violation of VA Code § 38.2-310
INS900285 American Motorists Insurance Co.
Alleged violation of VA Code § 38.2-1833.A.1
INS900286 Group Rental Insurance Medical Trust
For temporary injunction
INS900287 T.P.A., Inc.
For temporary injunction
INS900288 Ex Parte: Rules
For adoption of Rules Governing Minimum Standards for Medicare Supplement Policies
INS900289 Academy Life Insurance Company
Alleged violation of Regulation No. 7
INS900290 Surety Life Insurance Company
Alleged violation of Rules Governing Life Insurance Replacements
INS900291 Life Assurance Co of PA
To eliminate impairment and restore minimum surplus to amount required by law
INS900292 Mal Associates Inc.
Alleged violation of VA Code § 38.2-1813
INS900293 Williams, Robert Randolph
Alleged violation of VA Code § 38.2-1813
INS900295 Anexco Insurance Agency Inc.
Alleged violation of VA Code § 38.2-1802.A
INS900296 Hilb, Rogal & Hamilton Co. of Richmond
Alleged violation of VA Code § 38.2-4806
INS900297 Belle, Larry E.
Alleged violation of VA Code § 38.2-1805.A
INS900298 Williams, Joel C.
Alleged violation of VA Code § 38.2-1805.A
INS900299 Hodges, Joyce M.
Alleged violation of VA Code § 38.2-1805.A
INS900300 United Liberty Life Insurance Co.
To eliminate impairment in surplus and restore same to minimum amount required by law
INS900301 Dairyland Insurance Co.
Alleged violation of VA Code § 38.2-610.A
INS900302 Ex Parte: Refunds
Refunding overpayments of license tax on direct gross premium income of insurance companies for tax year 1988
INS900303 Ex Parte: Refunds
Refunding overpayments of assessessments for maintenance of Bureau of Insurance on direct gross premium income of insurance cos. for assessable year 1988

INS900304 Wood & Company Inc.
Alleged violation of VA Code § 38.2-1802
INS900305 Nationwide Mutual Fire Insurance Co.
Alleged violation of VA Code § 38.2-2009
INS900306 Whited, Kevin R.
For voluntary surrender of agent's license
INS900307 Cimarron Insurance Co.
To eliminate impairment and restore same to minimum amount required by law
INS900308 Equitable Life Insurance Co.
Alleged violation of VA Code § 38.2-211
INS900309 Ex Parte: Refund
Refunding overpayments of fire programs fund assessment based on direct gross premium income of insurance companies for assessable year 1989
INS900310 Heusinkveld, Robert
Alleged violation of VA Code §§ 38.2-1802 and 38.2-4805
INS900311 Physicians Health Plan Inc.
To eliminate impairment and restore surplus to minimum amount required by law
INS900312 Penland, Ronald Oscar
Alleged violation of VA Code § 38.2-512
INS900313 Travelers Health Network of VA
Alleged violation of Virginia Insurance Regulation No. 28, Section 7(A), subsection 3
INS900314 First Texas Underwriters
Alleged violation of VA Code § 38.2-1802
INS900315 Muldoon, Patrick J.
Alleged violation of VA Code § 38.2-1813
INS900316 Gainey, John W.
Alleged violation of VA Code § 38.2-4806
INS900317 United Equitable Insurance Co.
For suspension of company's license
INS900318 United Equitable Life Insurance Co.
For suspension of company's license
INS900319 George Washington Life Insurance Co.
Alleged violation of VA Code § 38.2-1040
INS900320 Gruse, Walter James t/a Auto Insurance Mart
Alleged violation of VA Code §§ 38.2-1813 and 38.2-310
INS900321 Markel Service Inc.
Alleged violation of VA Code § 38.2-4811
INS900322 Collier Cobb & Associates of Virginia Inc.
Alleged violation of VA Code § 38.2-4806
INS900323 Ellis, Robert B.
Alleged violation of VA Code § 38.2-1802
INS900324 Holloway, Sidney Taylor
Alleged violation of VA Code § 38.2-1813
INS900325 Agency Services Inc.
Alleged violation of Regulation 6 of Rules Governing Insurance Premium Finance Companies
INS900326 Pembroke Insurance Agency
Alleged violation of VA Code § 38.2-1813
INS900327 Maguire, James J.
Alleged violation of VA Code § 38.2-1802
INS900328 Smith-Field Insurance Agency
Alleged violation of VA Code § 38.2-1802
INS900329 Lumbermens Mutual Casualty Co.
Alleged violation of Subsection 4.6 of Rules Governing Insurance Premium Finance Companies
INS900330 Mutual Insurance Agency Inc.
Alleged violation of VA Code § 38.2-4809.B
INS900331 Boston Mutual Life Insurance
Alleged violation of VA Code 38.2-514 and Regulation No. 7 of Rules Governing Life Insurance Replacements
INS900332 First Financial Insurance Co.
Alleged violation of VA Code § 38.2-2228.1
INS900333 Colonia Insurance Co. (US Branch
Alleged violation of VA Code § 38.2-2228.1
INS900334 Southern Insurance Co. of VA
Alleged violation of VA Code § 38.2-2228.1
INS900335 Horace Mann Insurance Co.
Alleged violation of VA Code § 38.2-2228.1
INS900336 Allstate Insurance Co. et al.
Alleged violation of VA Code §§ 38.2-1906.B et al.
INS900337 Independent Fire Insurance Co.
Alleged violation of VA Code §§ 38.2-2113, et al.
INS900338 Marshall, Charles Thomas
Alleged violation of VA Code § 38.2-1813
INS900339 Norfolk & Dedham Mutual Fire Insurance Co.
Alleged violation of VA Code § 38.2-1906

INS900340 Deadrick, Kevin S.
Alleged violation of VA Code § 38.2-512
INS900341 Muldoon, Patrick John
Alleged violatin of VA Code § 38.2-1813
INS900342 Hartford Insurance Company
Alleged violation of VA Code §§ 38.2-610, et al.
INS900343 Continental Insurance Company
Alleged violation of VA Code §§ 38.2-1812.A and 38.2-1833.A.1
INS900344 Corbett, Richard E. Jr.
Alleged violation of VA Code § 38.2-512
INS900345 Corbett, Patrick M.
Alleged violation of VA Code § 38.2-512
INS900346 Barlow, James H. Jr.
Alleged violation of VA Code § 38.2-2015
INS900347 Carter, Michael M.
Alleged violation of VA Code § 38.2-1805.A
INS900348 Dudley, Earlene F.
Alleged violation of VA Code § 38.2-1805.A
INS900349 Craig, Eliza F.
Alleged violation of VA Code § 38.2-1805.A
INS900350 Equicor Health Plan Inc.
Alleged violation of VA Code §§ 38.2-502.1., et al.
INS900351 Ex Parte: Rules
In the matter of adopting Rules Governing Private Review Agents
INS900352 Daniels, David Keith
Alleged violation of VA Code §§ 38.2-502 and 38.2-503
INS900353 Mutual Security Life Insurance Co.
To eliminate impairment and restore surplus to minimum amount required by va law
INS900354 First Class Health Plan
For temporary injunction
INS900355 Premium Assignment Corporation
Alleged violation of VA Code § 38.2-4701
INS900356 Sukens, Ernest Eugene
Alleged violation of VA Code § 38.2-1813
INS900357 Ex Parte: Assessment
Assessment upon certain companies and surplus lines brokers to pay the expense of Bureau of Insurance for calendar year 1991
INS900358 Fireman's Fund Mortgage Corp.
Alleged violation of VA Code § 38.2-513.A.4
INS900359 Alston, Willie Lorenzo
Alleged violation of VA Code § 38.2-1822
INS900360 Webb, Gordon R.
Alleged violation of VA Code § 38.2-2015
INS900361 Hauser, Charles R.
Alleged violation of VA Code § 38.2-2015
INS900362 Bethesda-Chevy Chase Insurance Center
Alleged violation of VA Code § 38.2-1812.A
INS900363 Group Health Association Inc.
Alleged violation of VA Code § 38.2-610
INS900364 Empire Benefit Plans
For temporary injunction
INS900365 Merastar Insurance Company
Alleged violation of VA Code §§ 38.2-317, et al.
INS900366 Physicians Health Plan, Inc.
Alleged violation of Virginia Insurance Regulation No. 28, Section 7(A), subsection 3
INS900367 American National Insurance Co.
Alleged violation of VA Code § 38.2-316
INS900368 Clements & Company Inc.
Alleged violation of VA Code § 38.2-4806
INS900369 Mundy, Joseph W.
Alleged violation of VA Code § 38.2-1813
INS900370 Edison Insurance Company
Alleged violation of VA Code § 38.2-1040
INS900372 Alexander & Alexander Inc.
Alleged violation of VA Code § 38.2-1802
INS900373 Prince William Self-Insurance Group
Alleged violation of Section 7 of Rules Governing Local Governmemt Group Self Insurance Pools
INS900374 Ko-Am Financial Risk Management Associates
Alleged violation of VA Code §§ 38.2-2015 et al.
INS900375 Centennial Insurance Company
Alleged violation of VA Code § 38.2-1906
INS900376 Atlantic Mutual Insurance Co.
Alleged violation of VA Code § 38.2-1906

INS900377 Lumbermens Mutual Casualty
Alleged violation of VA Code § 38.2-1906
INS900378 American Proctection Insurance
Alleged violation of VA Code § 38.2-1906
INS900379 American Motorists Insurance
Alleged violation of VA Code § 38.2-1906
INS900380 American Manufacturers Insurance Co.
Alleged violation of VA Code § 38.2-1906
INS900381 General Accident Insurance Co. of America
Alleged violation of VA Code § 38.2-1906
INS900382 Ex Parte: Refunds
Refunding overpayment of fire programs fund assessment based on direct gross premium income of insurer for assessable year 1989
INS900383 Key Insurance Agency Inc.
Alleged violation of VA Code § 38.2-4806
INS900384 Lancaster, Mitchell Allen
Alleged violation of VA Code § 38.2-1813
INS900385 Pioneer Life Insurance Co.
Alleged violation of VA Code §§ 38.2-502 and 38.2-503
INS900386 Stewart, Eric Horton
Alleged violation of VA Code § 38.2-1813
INS900387 Medical Insurance Consultants
Alleged violation of VA Code §§ 38.2-310, et al.
INS900388 Progressive Casualty Insurance
Alleged violation of VA Code §§ 38.2-602, et al.
INS900389 Executive Kar Care Ltd.
Alleged violation of VA Code § 38.2-1024
INS900390 Mid-America Life Assurance Co.
For revocation of company's license
INS900391 Eagle Premium Finance Company
Alleged violation of Subsection 7.2 of Rules Governing Insurance Premium Finance Cos.
INS900392 Canal Insurance Company
Alleged violation of VA Code §§ 38.2-1812.A and 38.2-1833.A.1
INS900393 W. E. Love & Assoicates Inc.
Alleged violation of VA Code §§ 38.2-1812.A and 38.2-1812.B
INS900394 Blome, Erna R.
Alleged violation of VA Code § 38.2-512
INS900395 Associated Benefit Administrators
To temporarly enjoin defendant from operating as 3rd party administrator
INS900396 Union Benefits Trust Inc.
To temporarily enjoin defendant from operating as 3rd party administrator
INS900397 Consolidated Barbers & Beauticians Benefit Trust Plan
Alleged violation of VA Code §§ 38.2-218 and 38.2-218.D.C
INS900398 Nationwide Mutual Fire Insurance Co. et al.
Alleged violation of VA Code §§ 38.2-2212 et al.
INS900400 Hartford Insurance Company
Alleged violation of VA Code §§ 38.2-610 et al.
INS900401 Southern States Medical Plan
Alleged violation of Virginia Insurance Regulation No. 31
INS900402 Travelers Health Network
Alleged violation of VA Code §§ 38.2-502.1, et al.
INS900403 Booth, Elliott R.
Alleged violation of VA Code § 38.2-1813

MCA: MOTOR CARRIER DIVISION - AUDITS

MCA900015 Dittrich of Minnesota Inc.
Alleged violation of VA Code § 58.1-2700
MCA900016 J. L. Express Inc.
Alleged violation of VA Code § 58.1-2708
MCA900017 Sined Leasing Inc.
For settlement of audit assessment
MCA900019 Chem-Haulers Inc.
To apply tax proceeds
MCA900025 Consolidated Freightways Corp. of Delaware
For offer of compromise & settlement
MCA900026 Texas Intermountain Transportation Inc.
Alleged violation of VA Code §§ 56-331 and 58.1-2708
MCA900027 Griffin, Inc. D/B/A Southern Trading & Shipping
Alleged violation of VA Code § 58.1-2700
MCA900028 S.D.A. Trucking, Inc.
Alleged violation of VA Code §§ 56-331 and 58.1-2708

MCA900029 Lindamood Enterprises, Inc.
Alleged violation of VA Code § 58.1-2700
MCA900030 Wes Tex Truck Leasing, Inc.
Alleged violation of VA Code § 58.1-2700
MCA900031 Griffith Truck Brokerage, Inc.
Alleged violation of VA Code § 58.1-2700
MCA900032 Chemical Express Carriers Inc.
Alleged violation of VA Code §§ 56-331 and 58.1-2708
MCA900033 Carpet Transport, Inc.
Alleged violation of VA Code § 58.1-2700
MCA900034 International Trading Company
Alleged violation of VA Code § 58.1-2700
MCA900035 Tultex Corporation
For failure to pay motor fuel road taxes
MCA900036 Edwards, William Harvey
Alleged violation of VA Code § 58.1-2700
MCA900037 Allen, Charles William
Alleged violation of VA Code §§ 56-331 and 58.1-2708
MCA900038 Randall, Victor Kevin t/a Victor Randall Logging
Alleged violation of VA Code §§ 56-331 and 58.1-2708
MCA900039 Gregory, Lawrence W. t/a Gregory's Transport
Alleged violation of VA Code §§ 56-331 and 58.1-2708
MCA900040 Reeves Transporation Co.
Alleged violation of VA Code §§ 58.1-2700 et seq.
MCA900041 Melton, Steve
Alleged violation of VA Code §§ 58.1-2700 et seq.
MCA900042 Mullecker Trucking Co. Inc. t/a T/G Express
Alleged violation of VA Code §§ 56-331 and 58.1-2708
MCA900043 Huckabee Transport Corp.
Alleged violation of VA Code §§ 58.1-2700 et seq.
MCA900044 Heard, Jimmy
Alleged violation of VA Code §§ 58.1-2700 et seq.
MCA900045 Ponderosa Trucking Co. Inc.
Alleged violation of VA Code §§ 58.1-2700 et seq.
MCA900046 Chambliss, James E.
Alleged violation of VA Code §§ 56-331 and 58.1-2708
MCA900047 Sloan, William B.
Alleged violation of VA Code §§ 56-331 and 58.1-2708
MCA900048 DTT Inc.
Alleged violation of VA Code §§ 56-331 and 58.1-2708
MCA900049 Miller Transportation Inc.
Alleged violation of VA Code §§ 56-331 and 58.1-2708
MCA900050 Ex Parte: Regulations
Promulgation of regulations relating to road tax on motor carriers
MCA900051 BWV Trucking Corporation
Alleged violation of VA Code §§ 56-331 and 58.1-2708
MCA900052 Valdivia, Bartolo Manuel
Alleged violation of VA Code §§ 56-331 and 58.1-2708
MCA900053 Raider Bulk Transport Inc.
Alleged violation of VA Code §§ 56-331 and 58.1-2708
MCA900054 Marziani, Frank t/a Frank Marziani Trucking
Alleged violation of VA Code §§ 56-331 and 58.1-2708
MCA900055 Regniers Refrigerated Express Inc.
Alleged violation of VA Code §§ 56-331 and 58.1-2708
MCA900056 North American Van Lines Inc.
Alleged violation of VA Code §§ 58.1-2700 et seq.
MCA900057 Great Lakes Chemical Corp.
Alleged violation of VA Code §§ 58.1-2700 et seq.
MCA900058 Ball Lumber Co. Inc.
For failure to comply with accounting instructions
MCA900059 T-Town Trucking Inc.
Alleged violation of VA Code §§ 56-331 and 58.1-2708
MCA900060 Pueringer Distributing Co.
Alleged violation of VA Code §§ 58.1-2700 et seq.
MCA900061 Howard Transportation Inc.
Alleged violation of VA Code §§ 58.1-2700 et seq.
MCA900062 H & R Trucking Inc.
Alleged violation of VA Code §§ 58.1-2700 et seq.
MCA900063 Dianne Trucking Inc.
Alleged violation of VA Code §§ 58.1-2700 et seq.
MCA900064 Porcelain Industries Inc.
Alleged violation of VA Code §§ 58.1-2700 et seq.

MCA900065 Robyn Transport Co. Inc.
Alleged violation of VA Code §§ 58.1-2700 et seq.
MCA900066 Sterling Express Ltd.
Alleged violation of VA Code §§ 56-331 and 58.1-2708
MCA900067 International Cold Storage Co.
Alleged violation of VA Code §§ 56-331 and 58.1-2708
MCA900068 Roanoke Electric Steel Corp.
For hearing for refund of excess credits pursuant to VA Code § 58.1-2030
MCA900069 Mason & Dixon Lines Inc.
Alleged violation of VA Code §§ 56-331 and 58.1-2708
MCA900070 Triple BBB Trucking Inc.
Alleged violation of VA Code §§ 58.1-2700 et seq.
MCA900071 Vance Trucking Co., Inc.
Alleged violation of VA Code §§ 58.1-2700 et seq.
MCA900072 Lawson, Robert S.
Alleged violation of VA Code §§ 58.1-2700 et seq.
MCA900073 Allstate Leasing Corp.
Alleged violation of VA Code §§ 58.1-2700 et seq.
MCA900074 Port East Transfer, Inc.
Alleged violation of VA Code §§ 58.1-2700 et seq.
MCA900075 S.D.A. Trucking Inc.
Alleged violation of VA Code §§ 58.1-2700 et seq.
MCA900076 Design Time Inc.
Alleged violation of VA Code §§ 58.1-2700 et seq.
MCA900077 Croft Metals Inc.
Alleged violation of VA Code §§ 58.1-2700 et seq.
MCA900078 Marathon Freight Lines Inc.
Alleged violation of VA Code §§ 58.1-2700 et seq.
MCA900079 E. M. C. Equipment, Inc.
Alleged violation of VA Code §§ 58.1-2700 et seq.
MCA900080 Eastern Marine Construction Inc.
Alleged violation of VA Code §§ 58.1-2700 et seq.
MCA900081 Ronson Transportation Inc.
Alleged violation of VA Code §§ 58.1-2700 et seq.
MCA900082 J. P. Mach, Inc.
Alleged violation of VA Code § 58.1-2700
MCA900083 Merchants Truck Lines Inc.
Alleged violation of VA Code § 58.1-2700
MCA900084 Clark Truck Leasing Inc.
Alleged violation of VA Code § 58.1-2700
MCA900085 Interstate Brands Corp.
Alleged violation of VA Code § 58.1-2700
MCA900086 Kellco Transportation Inc.
Alleged violation of VA Code § 58.1-2700
MCA900087 Q Carriers Inc.
Alleged violation of VA Code § 58.1-2700
MCA900088 Concrete Trucking Services Inc.
Alleged violation of VA Code § 58.1-2700
MCA900089 Three Coast Carriers Inc.
Alleged violation of VA Code § 58.1-2700
MCA900090 B. Littlefield & Sons Inc.
Alleged violation of VA Code § 58.1-2700
MCA900091 Nevada Freight Service Inc.
Alleged violation of VA Code § 58.1-2700
MCA900092 National Transportation & Distribution Services Inc.
Alleged violation of VA Code § 58.1-2700
MCA900093 Rentway Canada Ltd.
Alleged violation of VA Code §§ 58.1-2700 et al.
MCA900094 C.P.I. Trucking Inc.
Petition for refund
MCA900095 Gerald E. Ort Trucking Inc.
Alleged violation of VA Code § 58.1-2700 et al.
MCA900096 Everett Express Inc.
Alleged violation of VA Code §§ 56-331 and 58.1-2708
MCA900097 A & H Inc.
Alleged violation of VA Code § 58.1-2700
MCA900098 Miller Auto Leasing Co.
Alleged violation of VA Code § 58.1-2700
MCA900099 Clark Truck Line
Alleged violation of VA Code § 58.1-2700
MCA900100 Air Freight Express Inc.
Alleged violation of VA Code § 58.1-2700

MCA900101 Williams Crane & Rigging Inc.
Alleged violation of VA Code § 58.1-2700
MCA900103 Bassett-Walker Inc.
For a refund order for overpayment of tax assessment
MCA900104 Vance Trucking Co. Inc.
Alleged violation of VA Code § 58.1-2700
MCA900106 Darrell Andrews Trucking Inc.
Alleged violation of VA Code § 58.1-2700
MCA900107 Allen, Charles William
Alleged violation of VA Code § 58.1-2700
MCA900108 Walsh Brothers Inc.
Alleged violation of VA Code § 58.1-2700
MCA900109 Kuhnle Bros Inc.
Alleged violation of VA Code § 58.1-2704
MCA900110 Clopay Corporation
Alleged violation of VA Code § 58.1-2700
MCA900111 Cavalier Transportation Inc.
Alleged violation of VA Code § 58.1-2700
MCA900112 Castle, Carl E. Jr. t/a Clearing Excavating & Fine Grading
For failure to provide records for audit
MCA900113 D. J. King Inc.
Alleged violation of VA Code § 58.1-2700
MCA900114 J&P Transportation Co. Inc.
Alleged violation of VA Code § 58.1-2700
MCA900115 Trans-Motor Leasing Co. Inc.
Alleged violation of VA Code § 58.1-2700
MCA900116 Cova Transport Inc.
Alleged violation of VA Code § 58.1-2700
MCA900117 P.A.M. Transport Inc.
Alleged violation of VA Code § 58.1-2700
MCA900118 Alfred Daniels, Inc.
Alleged violation of VA Code § 58.1-2700
MCA900119 Kennedy Freight Lines Inc.
Alleged violation of VA Code § 58.1-2700
MCA900120 Salem Carpet Transportation Inc.
Alleged violation of VA Code § 58.1-2700
MCA900121 Tran-Star Inc.
Alleged violation of VA Code § 58.1-2700
MCA900122 M. Polaner Inc.
Alleged violation of VA Code § 58.1-2700
MCA900123 Acme Trucking Inc.
Alleged violation of VA Code § 58.1-2700
MCA900124 Interstate Road Runner
Alleged violation of VA Code § 58.1-2700
MCA900126 Advanced Drainage Systems Inc.
Alleged violation of VA Code § 58.1-2700
MCA900127 Air Freight Express Inc.
Alleged violation of VA Code § 58.1-2700
MCA900128 BMV Trucking Corp.
Alleged violation of VA Code § 58.1-2700
MCA900129 American Building Components Co.
Alleged violation of VA Code §§ 56-331 and 58.1-2708
MCA900130 M. Polaner Inc.
Alleged violation of VA Code § 58.1-2700
MCA900131 Horizon Truck Lines Inc.
Alleged violation of VA Code § 58.1-2700
MCA900132 Schneider Tank Lines Inc.
Alleged violation of VA Code § 58.1-2700
MCA900133 Pounding Mill Quarry Corp.
Alleged violation of VA Code § 58.1-2700
MCA900134 Freightway Corporation
Alleged violation of VA Code § 58.1-2700
MCA900135 Propane Transport Inc.
Alleged violation of VA Code § 58.1-2700
MCA900136 Shenandoah Motor Express Inc.
Alleged violation of VA Code § 58.1-2700
MCA900137 Otis Wright & Sons Inc.
Alleged violation of VA Code § 58.1-2700
MCA900138 Goody Products Inc.
Alleged violation of VA Code § 58.1-2700
MCA900139 Cimarron Express Inc.
Alleged violation of VA Code § 58.1-2700

MCA900140 Branham, R. G.
Alleged violation of VA Code § 58.1-2700
MCA900141 Ace Doran Hauling & Rigging
Alleged violation of VA Code § 58.1-2700
MCA900142 Ho-Ro Trucking Company Inc.
Alleged violation of VA Code § 58.1-2700
MCA900143 Redman Building Products Inc.
Alleged violation of VA Code § 58.1-2700
MCA900144 Mills Transfer Company
Alleged violation of VA Code § 58.1-2700
MCA900145 Luther Compton & Sons Inc.
Alleged violation of VA Code § 58.1-2700
MCA900146 Vantage Transport Inc.
Alleged violation of VA Code § 58.1-2700
MCA900147 Trailerload Express Inc.
Alleged violation of VA Code § 58.1-2700
MCA900148 Ferguson Van Lines Inc.
Alleged violation of VA Code § 58.1-2700

MCE: MOTOR CARRIER DIVISION - ENFORCEMENT

MCE900026 Luskin's Inc.
Alleged violation of VA Code § 56-304.2
MCE900027 Tri-City Tours Inc.
Alleged violation of VA Code § 56-292
MCE900028 Universal Am-Can Ltd.
Alleged violation of VA Code § 56-304.11
MCE900029 Pollard, Henry Mathew t/a H. M. Pollard
Alleged violation of VA Code § 56-304
MCE900030 J. W. Wyne Excavating Inc.
Alleged violation of VA Code § 56-304
MCE900031 Royal Molded Products Co. Inc.
Alleged violation of VA Code § 56-304
MCE900032 Continental Tank Lines Ltd.
Alleged violation of VA Code § 56-338.26
MCE900033 Gibel, George
Alleged violation of VA Code § 56-288
MCE900034 SMB Stage Lines Inc.
Alleged violation of VA Code § 56-304
MCE900047 Mercury Distribution Carriers Inc.
Alleged violation of VA Code §§ 46.1-41, 46.1-99 and 56-304
MCE900048 Orr, Bobby Gene
Alleged violation of VA Code §§ 46.1-41, 46.1-99 and 56-304
MCE900049 N. E. Delta Inc.
Alleged violation of VA Code § 56-304.11
MCE900055 White Star Lines Inc.
Alleged violation of VA Code § 56-304.11
MCE900064 Propane Transport Inc.
Alleged violation of VA Code § 56-304
MCE900066 Aaro Moving and Storage Inc.
Alleged violation of VA Code § 56-288
MCE900067 Admiral Transportation Inc.
Alleged violation of VA Code § 56-304.11
MCE900068 Jones & Frank Corporation
Alleged violation of Lease Rule 3(A)
MCE900080 Harrell, Roberta S.
Alleged violation of VA Code 56-288
MCE900081 Quality Automotive Products Inc.
Alleged violation of Lease Rule 3B(1)
MCE900097 Virginia Cast Stone Corp.
Alleged violation of VA Code § 56-304.2
MCE900099 A. G. Fences Systems
Alleged violation of VA Code § 56-304.2
MCE900100 Express Inc. (Wade NC)
Alleged violation of VA Code § 56-304.11
MCE900101 J & K Transport Inc.
Alleged violation of VA Code § 56-304.11
MCE900105 Redman Fleet Services Inc.
Alleged violation of VA Code § 56-304
MCE900106 Colonial Block of Norfolk Inc.
Alleged violation of Lease Rule 3(B)
MCE900120 Ny-Cal Trucking Inc.
Alleged violation of VA Code § 56-304.11

MCE900134 Mechanicsville Concrete Inc.
Alleged violation of Lease Rule 3-A
MCE900158 Vourdousis & Sons Transportation, Inc.
Alleged violation of VA Code § 56-304.11
MCE900159 B. & P. Refuse Disposal Inc.
Alleged violation of VA Code § 56-288
MCE900160 Mechanicsville Concrete Inc.
Alleged violation of Lease Rule 3-A
MCE900161 Joe Underwood Trucking Inc.
Alleged violation of VA Code § 56-304.1
MCE900162 Gemini Transportation Services Inc. t/a Gemini Trucking
Alleged violation of VA Code § 56-304.11
MCE900168 Marsh, John S. t/a Marsh Farms
Alleged violation of VA Code § 56-304.1
MCE900169 Vourdousis & Sons Transportation, Inc.
Alleged violation of VA Code § 56-304.11
MCE900170 Atlantic Trans Intermodal Inc.
Alleged violation of VA Code § 56-304.11
MCE900179 DSI Transports, Inc.
Alleged violation of VA Code §§ 46.2-600, 46.2-711 and 56-304
MCE900191 M. S. Landscape Trucking and Nursery Corp.
Alleged violation of VA Code § 56-288
MCE900207 Transall Company Inc.
Alleged violation of VA Code § 56-304.11
MCE900208 Continental Tank Lines Ltd.
Alleged violation of VA Code § 56-288
MCE900209 Baltimore Tank Lines Inc.
Alleged violation of VA Code § 56-338.26
MCE900212 Olinger, Robert Eugene Jr.
Alleged violation of VA Code §§ 46.2-600, 46.2-711 and 56-304
MCE900232 Snack Hostess Inc.
Alleged violation of Lease Rule 3-B
MCE900256 Lessard Jacques
Alleged violation of VA Code § 56-304.11
MCE900257 Wynn, W. H. Jr.
Alleged violation of VA Code § 56-288
MCE900265 Farm Fresh Inc.
Alleged violation of VA Code § 56-304.2
MCE900267 Foreman, Jasper Will t/a J. W. Foreman & Sons
Alleged violation of VA Code § 56-338.8
MCE900275 FCD Transport Inc.
Alleged violation of VA Code §§ 46.2-600, 46.2-711 and 56-304
MCE900276 Bailey, William Anthony
Alleged violation of VA Code §§ 46.2-600, 46.2-711 and 56-304
MCE900282 Rodgers, Severn
Alleged violation of VA Code § 56-288
MCE900283 Specialized Carriers
Alleged violation of VA Code § 56-304.1
MCE900284 Tech Trans Inc.
Alleged violation of VA Code § 56-288
MCE900285 Musser Lumber Co. Inc.
Alleged violation of Lease Rule 3-A
MCE900286 Textron Inc.
Alleged violation of VA Code § 56-304.2
MCE900298 Unlimited Tours and Transportation, Inc.
Alleged violation of VA Code § 56-338.52, Rule 23-C, Rule 10 and Rule 11
MCE900299 Circle B. Trucking Inc.
Alleged violation of VA Code § 56-304.11
MCE900300 V.I.P. & Celebrity Limousines Inc.
Alleged violation of VA Code § 56-304
MCE900311 Mad Enterprises Inc.
Alleged violation of VA Code §§ 46.2-600, 46.2-711 and 56-304
MCE900312 Richardson, James
Alleged violation of VA Code §§ 46.2-600, 46.2-771 and 56-304
MCE900313 D & M Corporation
Alleged violation of VA Code §§ 46.2-600, 46.2-711 and 56-304
MCE900319 Brown Fuel Oils Inc. t/a L. H. Brown
Alleged violation of VA Code § 56-288
MCE900320 Wilmington Tank Lines Inc.
Alleged violation of VA Code § 56-338.26
MCE900321 Express Container Services Inc.
Alleged violation of VA Code § 56-304

MCE900322 White Star Lines Inc.
Alleged violation of VA Code § 56-304.11
MCE900323 Harley Moving Corp.
Alleged violation of VA Code § 56-304.11
MCE900346 Luskin's Inc.
Alleged violation of VA Code § 56-304.11
MCE900347 First State Triangle Corp.
Alleged violation of VA Code § 56-304.2
MCE900368 Daniels, Julius N. t/a Daniels Trucking Co.
Alleged violation of VA Code § 56-304.1
MCE900369 A & S Trucking Inc.
Alleged violation of VA Code § 56-304.11
MCE900370 Eureka Van & Storage Co. Inc.
Alleged violation of VA Code § 56-304
MCE900371 Manchester Movers Inc.
Alleged violation of VA Code § 56-304.1
MCE900372 Professional Courier Inc.
Alleged violation of VA Code § 56-304
MCE900395 Exide Corp. (Consolidated)
Alleged violation of VA Code § 56-304.2
MCE900396 Spence, John & Wilkinson, Richard t/1 S & W Trucking
Alleged violation of VA Code § 56-304.11
MCE900397 All American Air Freight Inc.
Alleged violation of VA Code § 56-304.11
MCE900398 C & J Transport Inc.
Alleged violation of VA Code § 56-304.11
MCE900399 Britt, Barry W.
Alleged violation of VA Code § 56-288
MCE900403 Excel Limousines Inc.
Alleged violation of VA Code § 56-304
MCE900404 True Brit Inc.
Alleged violation of VA Code § 56-338.106
MCE900405 Riches Limousine Service Inc.
Alleged violation of VA Code § 56-304
MCE900406 Special Events Transportation Inc.
Alleged violation of VA Code § 56-304
MCE900407 Arlington Limousine Service Inc.
Alleged violation of VA Code § 56-304
MCE900408 Anytime Limousine Service Inc.
Alleged violation of VA Code § 56-304
MCE900409 International Limousine Service Inc.
Alleged violation of VA Code § 56-304
MCE900410 Top Cat Limousine Service Inc.
Alleged violation of VA Code § 56-304
MCE900417 Arlington Limousine Service Inc.
Alleged violation of VA Code § 56-338.106
MCE900418 Brooks, Lester C. Jr. t/a Old Dominion Limo Service
Alleged violation of VA Code § 56-304
MCE900419 Ferrari Royal Limousine Service Inc.
Alleged violation of VA Code § 56-338.106
MCE900420 John Hamill Corp. t/a Tuxedo Limousine Co.
Alleged violation of VA Code § 56-338.106
MCE900442 B&H Transportation Services Inc. t/a Horizon Limousine
Alleged violation of VA Code § 56-338.111
MCE900443 Jones, James R. t/a R & J Produce
Alleged violation of VA Code § 56-304.11
MCE900444 Rodriguez, Olmedo A.
Alleged violation of VA Code § 56-304.1
MCE900445 Bethany Limousine Service
Alleged violation of VA Code § 56-338.106
MCE900446 CER Enterprises Inc.
Alleged violation of VA Code § 56-338.106
MCE900447 New Deal Limo Service Inc.
Alleged violation of VA Code § 56-338.106
MCE900448 Callahan, Daniel t/a Preferred Limousine
Alleged violation of VA Code § 56-338.106
MCE900449 Dunn, Michael
Alleged violation of VA Code § 56-304
MCE900450 El Dien, Marwan M. & Guarisco, Laura L.
Alleged violation of VA Code § 56-338.106
MCE900451 Greencliff Corp D/B/A MKB Leasing Co.
Alleged violation of VA Code § 56-304

MCE900452 Guervitz, Benjamin F.
Alleged violation of VA Code § 56-338.106
MCE900453 Motley, Gerald Edward Sr. & Katherine A. t/a Gem Limousine Service
Alleged violation of VA Code § 56-338.106
MCE900454 J. R. Express Limo
Alleged violation of VA Code § 56-304
MCE900455 Montha OK
Alleged violation of VA Code § 56-304
MCE900456 Fermer Limousine Service
Alleged violation of VA Code § 56-304
MCE900457 Ahmad, Haji Noor
Alleged violation of VA Code § 56-338.106
MCE900458 Yefloussine, Hayat
Alleged violation of VA Code § 56-304
MCE900459 Costello, Donald G.
Alleged violation of VA Code § 56-304
MCE900460 McDaniel, Judy T.
Alleged violation of VA Code § 56-304
MCE900461 Ricker, Thomas Jr.
Alleged violation of VA Code § 56-304
MCE900462 Akers Limousine Inc.
Alleged violation of VA Code § 56-304
MCE900463 Luxury Limousine Services Inc.
Alleged violation of VA Code § 56-304
MCE900464 Koons Plaza Leasing Inc.
Alleged violation of VA Code § 56-304
MCE900465 Silco Inc.
Alleged violation of VA Code § 56-304
MCE900476 Zachery Tyler Distributing
Alleged violation of VA Code § 56-304.1
MCE900477 F. W. Vaughn Construction Inc.
Alleged violation of VA Code § 56-288
MCE900478 Schomburg, Terrence E. & Doris L. t/a Classic Coach Limo
Alleged violation of VA Code § 56-304
MCE900505 Snyder Et Fils Inc.
Alleged violation of VA Code § 56-304.11
MCE900513 Kaje Transport
Alleged violation of VA Code § 56-304.11
MCE900548 Handling Services Inc.
Alleged violation of Lease Rule 3-A
MCE900549 Belman, Elsie S. t/a Elsie Belman Limousine Service
Alleged violation of VA Code § 56-304
MCE900550 Wagner Foods Inc.
Alleged violation of Lease Rule 3-A
MCE900551 Meade, John
Alleged violation of VA Code § 56-304.1
MCE900572 Pipco Transportation Inc.
Alleged violation of VA Code § 56-304.11
MCE900573 H & A Transport Inc.
Alleged violation of VA Code § 56-304.11
MCE900574 Alabama Highway Express
Alleged violation of VA Code § 56-304.11
MCE900575 Duncan, Edwin G.
Alleged violation of VA Code § 56-304.11
MCE900576 C. & G. Distributors Inc.
Alleged violation of VA Code § 56-304.11
MCE900577 International Wood Products Inc.
Alleged violation of VA Code § 56-304.2
MCE900578 Sterman Masser, Inc.
Alleged violation of VA Code § 56-304.11
MCE900579 First State Triangle Corp.
Alleged violation of VA Code § 56-304.2
MCE900601 Pito's Construction Co. Inc.
Alleged violation of Lease Rule 3-A
MCE900602 Cabrera, Eduardo
Alleged violation of VA Code § 56-304.11
MCE900615 Marshall Landscaping Inc.
Alleged violation of VA Code § 56-288
MCE900617 Arnold Bros Transport Inc.
Alleged violation of VA Code § 56-304.1
MCE900618 Ty Pruitt Trucking Inc.
Alleged violation of VA Code § 56-304.1

MCE900632 Express Inc.
Alleged violation of VA Code § 56-304.11
MCE900633 Bailey, Mike t/a B & B Auto Sales
Alleged violation of VA Code § 56-288
MCE900634 Rogers Trucking Inc.
Alleged violation of VA Code § 56-304.11
MCE900648 Gilchrist Trucking Inc.
Alleged violation of VA Code § 56-304.11
MCE900649 Harding, Jerry t/a Harding Transportation
Alleged violation of VA Code § 56-304.11
MCE900650 Valianos, Ernest G.
Alleged violation of VA Code § 56-288
MCE900658 Perham-Dayton Co. of Georgia
Alleged violation of Lease Rule 3-A
MCE900659 Wood, Larry Rufus
Alleged violation of VA Code § 56-304.11
MCE900668 George, Donald L. & Rothfolk, Juleen t/a D & J Excavating
Alleged violation of VA Code § 56-288
MCE900669 Matthew Moving Co. Inc.
Alleged violation of VA Code § 56-304
MCE900671 Midlantic Express Inc.
Alleged violation of VA Code §§ 46.2-600, 46.2-711 and 56-304
MCE900685 Dolphin Seafood Express (MD)
Alleged violation of VA Code § 56-304.2
MCE900686 Nearby Eggs Inc.
Alleged violation of VA Code § 56-304
MCE900687 Easy Movers Inc. t/a Easy Movers
Alleged violation of VA Code § 56-288
MCE900688 Schluderberg-Kurdle Co.
Alleged violation of VA Code § 56-304.2
MCE900709 Havana Transport, Inc.
Alleged violation of VA Code § 56-304.11
MCE900710 Moore Moving & Storage Inc.
Alleged violation of VA Code § 56-304
MCE900736 Analysis Transportation Inc.
Alleged violation of VA Code § 56-304.11
MCE900748 Eagle Transportation Inc.
Alleged violation of VA Code § 56-304.11
MCE900749 Commonwealth Limousine USA Inc.
Alleged violation of VA Code §§ 56-338.107 and 56-338.110
MCE900750 First Line Services Inc.
Alleged violation of VA Code § 56-292
MCE900751 Environmental Turf & Erosion
Alleged violation of Lease Rule 3-A
MCE900774 All American Air Freight Inc.
Alleged violation of VA Code § 56-304.11
MCE900775 Bridges, John F.
Alleged violation of VA Code § 56-304.2
MCE900776 Riddick Jr., Joseph Southgate
Alleged violation of VA Code § 56-304.11
MCE900777 Jenkins, Larry Edward
Alleged violation of VA Code § 56-288
MCE900778 Kinco Corporation
Alleged violation of VA Code § 56-304.2
MCE900779 Pre-Mix Industries Inc.
Alleged violation of VA Code § 56-304.2
MCE900780 Spence, John & Wilkinson, Richard t/a S & W Trucking
Alleged violation of VA Code § 56-304.11
MCE900781 Lakeway Trucking Inc.
Alleged violation of VA Code § 56-304.11
MCE900807 Express, Inc.
Alleged violation of VA Code § 56-304.11
MCE900808 Penn Line Service Inc.
Alleged violation of VA Code § 56-304.2
MCE900809 Elite Limousine Service Inc.
Alleged violation of VA Code § 56-304
MCE900810 Regency Moving & Storage Co. Inc.
Alleged violation of VA Code § 56-338.8
MCE900811 Kamen Aerospace Corp.
Alleged violation of VA Code § 56-304.2
MCE900812 Mercer Products Co. Inc.
Alleged violation of VA Code § 56-304.2

MCE900813 Lane, Jacky t/a Lanes Trucking
Alleged violation of VA Code § 56-304
MCE900814 Waste Conversion Inc.
Alleged violation of VA Code § 56-304.1
MCE900815 Spence, John & Wilkinson, Richard t/a S & W Trucking
Alleged violation of VA Code § 56-304.11
MCE900816 Uzzle, Larry t/a L&U Moving & L&U Local & Distant Moving
Alleged violation of VA Code § 56-338.8
MCE900825 Biehl, John K.
Alleged violation of VA Code § 56-304
MCE900836 Eastern Sleep Products Co. Inc.
Alleged violation of VA Code § 56-304.2
MCE900837 Commonwealth Movers Inc.
Alleged violation of VA Code § 56-338.8
MCE900855 Debetta & Sons Trucking Inc.
Alleged violation of VA Code § 56-304.11
MCE900856 Native American Trucking Co.
Alleged violation of VA Code § 56-304.11
MCE900857 Birmingham North & South Inc.
Alleged violation of VA Code § 56-304.11
MCE900858 L&B Trucking Inc.
Alleged violation of VA Code § 56-304.11
MCE900859 Paulk Trucking Inc.
Alleged violation of VA Code § 56-304.11
MCE900860 Mobil Oil
Alleged violation of VA Code § 56-304.2
MCE900861 Mobil Oil
Alleged violation of VA Code § 56-304.2
MCE900908 Amazon Movers Inc.
Alleged violation of VA Code § 56-288
MCE900909 Pleasant Trucking Inc.
Alleged violation of VA Code § 56-304.11
MCE900910 Key Way Transport Inc.
Alleged violation of VA Code § 56-304.11
MCE900933 Coker-Vail Components of VA
Alleged violation of VA Code § 56-304.2
MCE900934 Cellin Manufacturing Inc.
Alleged violation of VA Code § 56-304.2
MCE900935 131306 Canada Ltee.
Alleged violation of VA Code § 56-304.11
MCE900949 Cahill, Robert Hilliard
Alleged violation of VA Code §§ 46.2-600, 46.2-711 and 56-304
MCE900950 Bull's Motor Truck Co.
Alleged violation of VA Code §§ 46.2-600, 46.2-711 et al.
MCE900960 Native American Trucking Co.
Alleged violation of VA Code § 56-304.11
MCE900961 Spence, John & Wilkinson, Richard t/a S & W Trucking
Alleged violation of VA Code § 56-304.11
MCE900962 Spence, John & Wilkinson, Richard t/a S & W Trucking
Alleged violation of VA Code § 56-304.11
MCE900977 Goldsmith Truck Line Inc.
Alleged violation of Article 6, Section 6.1 of an Administrative Order
MCE900979 Native American Trucking Co.
Alleged violation of VA Code § 56-304.11
MCE900980 Rogers Brothers Inc. t/a Featherstone Shell
Alleged violation of VA Code § 56-288
MCE900981 Richmond Riders Messengers Services Inc.
Alleged violation of VA Code § 56-304.1
MCE900982 Pronto Business Courier Inc.
Alleged violation of VA Code § 56-304.1
MCE900983 Ohio Mattress Co. Spring Div.
Alleged violation of VA Code § 56-304.2
MCE900987 Medlin, Henry D.
Alleged violation of VA Code § 56-288
MCE900988 Philips Industries Inc.
Alleged violation of VA Code § 56-304.1
MCE900989 Commonwealth Courier
Alleged violation of VA Code § 56-288
MCE900990 Kitts Trucking Inc.
Alleged violation of VA Code §§ 46.2-600 et al.
MCE901003 Smith, James Finley t/a A-1 Delivery
Alleged violation of VA Code § 56-288

MCE901004 Swan, Steve Jr.
Alleged violation of VA Code § 56-304.1
MCE901005 Hartman, Ned R.
Alleged violation of VA Code § 56-304.1
MCE901014 Dulles Movers Inc.
Alleged violation of VA Code § 56-304
MCE901015 Delta Chemical Corp.
Alleged violation of VA Code § 56-304.11
MCE901050 Spence, John & Wilkinson, Richard t/a S & W Trucking
Alleged violation of VA Code § 56-304.11
MCE901051 Delorme, Robert & Paul
Alleged violation of VA Code § 56-304.1
MCE901064 North Georgia Freight Inc.
Alleged violation of VA Code § 56-304.11
MCE901065 Zupan, Steven Robert t/a Smoother Movers
Alleged violation of VA Code § 56-304
MCE901071 R&B Marine Inc.
Alleged violation of VA Code § 56-304.11
MCE901073 Spence, John & Wilkinson, Richard t/a S & W Trucking
Alleged violation of VA Code § 56-304.11
MCE901083 Sutton, Earline t/a Atlantic Pacific Express
Alleged violation of VA Code § 56-304.11
MCE901084 Consolidated Food Service t/a Sandler Foods
Alleged violation of Lease Rule 3-A
MCE901094 Northern Neck Transfer Inc.
Alleged violation of VA Code §§ 46.2-600, 46.2-711 and 56-304
MCE901095 Atlantic Coast Express Inc.
Alleged violation of VA Code § 56-304.1
MCE901096 American Trans-Freight Inc.
Alleged violation of VA Code § 56-304.11
MCE901097 Ryder Distribution Resources Inc.
Alleged violation of Article 6, Section 6.1(A) of an Administrative Order
MCE901116 Houff Transfer Inc.
Alleged violation of Article 6, Section 6.1(A) of an Administrative Order
MCE901117 Taylor, Thomas G.
Alleged violation of VA Code § 56-288
MCE901118 H&J Trucking Inc.
Alleged violation of VA Code § 56-304
MCE901122 Valley Transport Assoc. Inc.
Alleged violation of VA Code § 56-304.11
MCE901123 Central Feeds Inc.
Alleged violation of VA Code § 56-304.1
MCE901126 Landahl, John P.
Alleged violation of VA Code § 56-288
MCE901127 Watson, Fritz Logan t/a B&J Trucking
Alleged violation of VA Code § 56-304.1
MCE901128 Ready Trucking Inc.
For offer of compromise and settlement
MCE901141 Garcia's Inc.
For offer of compromise and settlement
MCE901142 Initial Enterprises Inc.
For offer of compromise and settlement
MCE901143 Insley, James Odell
Alleged violation of VA Code §§ 46.1-41, 46.1-99 and 56-304
MCE901164 Johnson, Richard F. & Zimmerman, Donald t/a Freight Sales Carpet
Alleged violation of VA Code § 56-304.11
MCE901187 Morgan Products Ltd. Inc. t/a Morgan Distribution
Alleged violation of VA Code § 56-304.11
MCE901188 White, Joseph William
Alleged violation of VA Code § 56-304.11
MCE901196 Medical Instrument Transport Inc.
Alleged violation of VA Code § 56-288
MCE901197 S.W. Rogers Company Inc.
Alleged violation of Lease Rule 3-A
MCE901198 Sentry Inc.
Alleged violation of VA Code § 56-288
MCE901219 Miller Randall Lee t/a Randall Miller Company
Alleged violation of VA Code § 56-304.11
MCE901230 Jones, Thomas W. t/a A & J Demolition
Alleged violation of VA Code § 56-304.11
MCE901231 Canadian American Express Co. Inc.
Alleged violation of VA Code § 56-304.11

MCO: MOTOR CARRIER DIVISION - OPERATIONS

MCO900320 V & H Transport Corp.
Alleged violation of VA Code §§ 58.1-2700 et seq.
MCO900932 Native American Trucking Co.
For rule to show cause for failure to replace bad check

MCS: MOTOR CARRIER DIVISION - RATES AND TARIFFS

MCS890080 Hassain, Basharat t/a B. H. Limousine Service
For certificate as a limousine carrier
MCS900001 Dayton Transportation Corp.
For emergency fuel surcharge increase
MCS900002 R. O. Harrell Inc.
For emergency fuel surcharge increase
MCS900003 Transport South Inc.
For emergency fuel surcharge increase
MCS900004 Middle Atlantic Conference
For emergency fuel surcharge increase
MCS900005 Propane Transport of VA
For emergency fuel surcharge increase
MCS900006 Virginia Movers and Warehousemens Assoc.
For emergency fuel surcharge increase
MCS900007 Limelight Limousines Inc.
For a certificate as a limousine carrier
MCS900008 Ambassador Relocations Inc.
To amend Household Goods Carrier Certificate No. HG-441
MCS900009 J & B Enterprises Inc., Transferor & Luv Bus Inc., Transferee
To transfer certificate as special or charter party carrier No. B-314
MCS900010 Flippo's Transportation Corp.
For a certificate as a petroleum tank truck carrier
MCS900011 Winter Hawk Tours Inc.
For a certificate as a special or charter party carrier by motor vehicle
MCS900012 Hydro-Tap Service Inc.
For a certificate as a limousine carrier
MCS900013 James Hunter Bus Service Inc. t/a Hunter Bus Service
For a certificate as a special or charter party carrier by motor vehicle
MCS900014 Automart Limousine Service
For a certificate as a limousine carrier
MCS900015 Westfields International Conference Center, Inc.
For a certificate as a limousine carrier
MCS900016 Rigsbee, Ronald E. t/a Rigsbee & Son Limousine Service
For a certificate as a limousine carrier
MCS900017 Westfields International Conference Center, Inc.
For a license to broker the transportation of passengers by motor vehicle
MCS900018 B & D Moving Inc., Transferor & Joe Moholland, Inc., Transferee
To transfer certificate as a household goods carrier No. HG-452
MCS900019 Barton, J. Meak t/a V.I.P. Tours of Charlottesville
For a certificate as a sight-seeing carrier by motor vehicle
MCS900020 Robinsons Personal Escort Services, Ltd.
To cancel license to broker the transportation of passengers
MCS900021 Tantastic Tanning Center Ltd.
For a certificate as a limousine carrier
MCS900022 Crewe Transfer Inc., Transferor & Graebel/Potomac Movers, Inc., Transferee
To transfer certificate as a household goods carrier No. HG-358
MCS900023 Tank Lines Inc.
For a certificate as a petroleum tank truck carrier
MCS900024 Nolan, Joan E. t/a Joan's Travel Tours
For license to broker transportation of passengers by motor vehicle
MCS900025 Dominion Limousines Ltd.
For a certificate as a limousine carrier
MCS900026 Springfield Executive Transport Inc. t/a Leors Point-to-Point
For a certificate as a limousine carrier
MCS900027 Jim Garth Limousine and Transportation Co.
For a certificate as a special or charter party carrier by motor vehicle
MCS900028 Executive Limousine Service Inc.
For a certificate as a limousine carrier
MCS900029 J & K Transport Inc., Transferor & G & G Transport Inc., Transferee
To transfer certificate as a petroleum tank truck carrier No. K-101
MCS900030 Sports Enterprises Inc.
To cancel broker's license No. B-91
MCS900031 Harris, Shirley J. t/a S. J. Harris Hauling Company
For a license to broker the transportation of property

MCS900032 De Filippi Enterprises Inc. t/a Personally Yours Enterprises, Inc.
For a certificate as a limousine carrier
MCS900033 Limousines of Richmond Inc.
For a certificate as a limousine carrier
MCS900034 Shenadoah Recycling Inc.
For cancellation of certificate No. K-99 as a petroleum tank truck carrier
MCS900035 Myles Inc. t/a Myles: Operation Prison Gap
For a certificate as a common carrier of passengers over regular routes by motor vehicles
MCS900036 Alvin B. Stokes, Transferor & Alvin B. Stokes, Inc., Transferee
Fo transfer certificate as a household goods carrier No. HG-138
MCS900037 Continental Tank Lines Ltd.
For a certificate as a petroleum tank truck carrier
MCS900038 Mallory, Elizabeth Y. t/a Express Travel
For a license to broker the transportation of passengers by motor vehicle
MCS900039 Donald, Hunt
For a certificate as a limousine carrier
MCS900040 Eagle Parlor Tours of Virginia Inc.
For a certificate as a special or charter party carrier by motor vehicle
MCS900041 Dominion Charter Company Inc.
For a certificate as a special or charter party carrier by motor vehicle
MCS900042 Middle Atlantic Conference
For authority to use shipper or receiver names in motor carrier tariffs
MCS900043 John Hamill Corporation t/a Tuxedo Limousine Service
For a certificate as a limousine carrier
MCS900044 True Brit Inc.
For a certificate as a limousine carrier
MCS900045 Bekins Moving & Storage Co.
For authority to grant security interests in and to pledge cert. HG-268 as collateral for borrowed funds
MCS900046 Jones-Sumblin, Earva Lee t/a "Grup" Opportunity Travel
For a license to broker the transportation of passengers by motor vehicle
MCS900047 Weldon's Funeral Home t/a Weldon's Limousine Service
For a certificate as a limousine carrier
MCS900048 Escort Limousine Services Inc.
For a certificate as a limousine carrier
MCS900049 London Transport of Richmond, Ltd.
For a certificate as a limousine carrier
MCS900050 Highsmith, Arsenia M.
For a certificate as a limousine carrier
MCS900051 Ambassador Limousine Service Inc.
For a certificate as a limousine carrier
MCS900052 Dick, Frederick L. t/a Executive Limousine of Warrenton
For a certificate as a limousine carrier
MCS900053 Porter Furniture Co., Transferor & Sterling Van Lines, Inc., Transferee
To transfer household goods certificate No. HG-12
MCS900054 Contemporary Travel Ltd.
For a license to broker the transportation of passengers by motor vehicle
MCS900055 Checker Cab Co. Inc.
For a certificate as a limousine carrer
MCS900056 Black and White Cars Inc.
For a certificate as a limousine carrier
MCS900057 Norview Cars Inc.
For a certificate as a limousine carrer
MCS900058 Unlimited Limo Inc.
For a certificate as a limousine carrer
MCS900059 Davis, William t/a Tri-Bill Limousine Service
For a certificate as a limousine carrer
MCS900061 Luxury Limousine Service Inc.
For a certificate as a limousine carrer
MCS900062 Thompson Van Lines Inc., Transferor & Town and Country Movers Inc., Transferee
To transfer household goods certificate No. HG-306
MCS900063 OK, Montha t/a Paradise Limousine Service
For a certificate as a limousine carrier
MCS900064 Thompson Trucking Inc.
For a certificate as a petroleum tank carrier
MCS900065 Motley, Gerald Edward Sr. t/a Gem Limousine Service
For a certificate as a limousine carrier
MCS900066 Baker, Gary Alan t/a Landmark Limousine Service
For a certificate as a limousine carrer
MCS900067 Land Cruises Inc.
For a certificate as a limousine carrier
MCS900068 Travel Mates of Virginia Inc.
For a certificate as a special or charter party carrier by motor vehicle

MCS900069 D. N. & S. K. Incorporated
To amend certificate No. K-112 to reflect change from Triton, Inc. to Steuart Petroleum Co.
MCS900070 Osinga, John H. t/a Vintage Limousine
For a certificate as a limousine carrier
MCS900071 Salyer, Douglas W.
For a certificate as a limousine carrier
MCS900072 Metro Moving & Storage Inc., Transferor & Martin Storage Co. Inc., Transferee
To transfer certificate as a household goods carrier No. HG-432
MCS900073 Top Hat Limos, Inc. t/a Above and Beyond Limousine Service
For a certificate as a limousine carrier
MCS900074 Wray Walter H.
For a certificate as a limousine carrier
MCS900075 Candy & Bob, Incorporated t/a Onancock Princess Cruises Corp.
For certificate as a sight-seeing and special or charter party carrier by boat
MCS900076 Yorktown Victory Cruises Inc.
For a certificate as a sight-seeing and special or charter party carrier by boat
MCS900077 McGlennon, Mark t/a Blue Knight Limousine Service
For a certificate as a limousine carrier
MCS900078 Riches Limousine Service Inc.
For a certificate as a limousine carrier
MCS900079 Park Avenue Limousines, Inc.
For a certificate as a limousine carrier
MCS900080 Brown, Michael J. t/a Specialty Limousine Service
For a certificate as a limousine carrier
MCS900081 International Limousine Service, Inc.
For a certificate as a limousine carrier
MCS900082 Monroe, Mark O.
For a certificate as a limousine carrier
MCS900083 Atlantic Limousine Inc.
For a certificate as a limousine carrier
MCS900084 Roach, Carl W.
For a certificate as a limousine carrier
MCS900085 Ski Travel Associates of VA Inc. t/a Preferred Limousine
For a certificate as a limousine carrier
MCS900086 Virginia Towing & Recovery Services, Inc. t/a Southern Limousine Service
For a certificate as a limousine carrier
MCS900087 National Limousine, Inc.
For a certificate as a limousine carrier
MCS900088 Piedmont Transportation, Inc.
For a certificate as a petroleum tank carrier
MCS900089 Hadjichristoudoulou, Christopher t/a Captain of Pentagon Limousine
For a certificate as a limousine carrier
MCS900090 Wyatt Storage Corp, Transferor & Alexander's Moving & Storage, Eastern, Inc., Transferee
To transfer certificate as household goods carrier No. HG-3
MCS900091 Mccrickard, William B. t/a McCrickard Bus Line
For cancellation of common carrier of passenger certificate No. P-2282
MCS900092 A-Paima International Transport Inc.
For a certificate as a limousine carrier
MCS900093 Elite Limousine Service Inc.
For a certificate as a limousine carrier
MCS900094 Brantley, Betty B. t/a Betty Brantley's Travel Service
For cancellation of broker's license No. B-35
MCS900095 K & M Travel and Tours, Ltd.
For a license to broker the transportation of passengers by motor vehicle
MCS900096 George Family Group Inc.
For a certificate as a limousine carrier
MCS900097 Executive Tours, Inc.
For a certificate as a limousine carrier
MCS900098 Piedmont Transportation Inc.
For emergency fuel surcharge increase
MCS900099 Mathis, William D.
For a certificate as a limousine carrier
MCS900100 Old Mill Manner Inc.
For a certificate as a limousine carrier
MCS900101 Limelight Limousines Inc.
For a certificate as a limousine carrier
MCS900102 Classic Coaches Limousine Service Inc.
For a certificate as a limousine carrier
MCS900103 Brooks, Lester Clayton t/a Old Dominion Limousine Service
For a certificate as a limousine carrier
MCS900104 Hatten, Phyllis L. & Roland t/a Enchante Limousine Service
For a certificate as a limousine carrier

MCS900105 Arlington Limousine Service Inc.
For a certificate as a limousine carrier
MCS900106 Kincaide, Raymond H., Transferor & Schrock Sightseeng Service Inc., Transferr
To transfer portion of certificate as special or charter party carrier No. B-354
MCS900107 J.C.B. Transport Inc.
For a certificate as a petroleum tank truck carrier
MCS900108 Basil, James W. Sr. & Margaret t/a Basil Trans/Limo
For a certificate as a limousine carrier
MCS900109 Presidential Limousine Service Inc.
For a certificate as a limousine carrier
MCS900110 Winn Bus Lines
For emergency fuel surcharge increase
MCS900111 J&K Transport Inc.
Alleged violation of Rule 5 of Rules and Regulations Governing the Supervision, Control and Operation of Petroleum Tank Truck Carriers
MCS900112 Tantastic Tanning Center
For a certificate as a limousine carrier
MCS900113 Moxley, Deborah L.
For a certificate as a limousine carrier
MCS900114 Waggoner Limousine Service Inc.
For a certificate as a limousine carrier
MCS900115 Vangelder, Steve G. & Maria t/a Ace Limousine Service
For a certificate as a limousine carrier
MCS900116 Pope, Deborah Ann
For a certificate as a limousine carrier
MCS900117 Fun Tours, Inc.
For cancellation of certificate No. B-364
MCS900118 Hartec Corporation
For a certificate as a limousine carrier
MCS900119 Pony Express Courier Corp.
For emergency fuel surcharge increase
MCS900120 Eastern Motor Transport
For a certificate as a petroleum tank carrier
MCS900121 Southgate Trucking Co.
For emergency fuel surcharge increase
MCS900122 C. W. Martin Trucking Inc.
For a certificate as a limousine carrier
MCS900123 Twin City Coach Company
To transfer certificate as special or charter party carrier No. B-47
MCS900124 Winn Bus Lines Inc.
For a certificate as a limousine carrier
MCS900125 Airport Sedan Inc.
For a certificate as a limousine carrier
MCS900126 Corporate Limousine Service Inc.
For a certificate as a limousine carrier
MCS900127 Aker's Limousines Inc.
For a certificate as a limousine carrier
MCS900128 Black, Harvey N.
For a certificate as a limousine carrier
MCS900129 Choice Limousine
For a certificate as a limousine carrier
MCS900130 Bon Air Transit Co. t/a Virginia Overland Charter Service, Transferor & Virginia Coach Line Inc., Transferee
For a certificate as a common carrier of passengers
MCS900131 B&L Transfer & Storage Co. Inc., Transferor & Cook's Moving Service Inc., Transferee
To transfer household goods carrier cert No. HG-26
MCS900132 Coupe, George Alexander t/a Admiral Limousine Service
For a certificate as a limousine carrier
MCS900133 Top Cat Limo Service Inc.
For a certificate as a limousine carrier
MCS900134 Polo Bay Corporation, The
For a certificate as a limousine carrier
MCS900135 Hunt's First Class Limousine
For a certificate as a limousine carrier
MCS900136 Dulles Airport Loudoun Taxi
For a certificate as a limousine carrier
MCS900137 Continental Sedan Inc.
For a certificate as a limousine carrier
MCS900138 Limelight Limousine of VA
For a certificate as a limousine carrier
MCS900139 Tri-Gas Inc.
For a certificate as a petroleum tank truck carrier
MCS900140 Madison Limousine Service Inc.
For a certificate as a limousine carrier

MCS900141 Espina, Noel & Villarea, Eduardo A.
For a certificate as a limousine carrier

PST: DIVISION OF PUBLIC SERVICE TAXATION

PST900001 T-L Water Company
Failure to file annual report for taxation pursuant to VA Code § 58.1-2628
PST900002 Mid-Atlantic Paging Co. Inc.
Failure to file annual report for taxation pursuant to VA Code § 58.1-2628
PST900003 Middle Peninsula Communications Corp.
Failure to file annual report for taxation pursuant to VA Code § 58.1-2628
PST900004 Virginia Natural Gas
For review and abatement of penalty
PST900005 Cavalier Transportation Co. Inc.
For review and abatement of penalty
PST900006 Al' Radio Cabs Inc.
For review and abatement of penalty

PUA: DIVISION OF PUBLIC UTILITY ACCOUNTING

PUA890046 Century Roanoke Cellular Corp.
For authority to guarantee loan to parent copany and to enter into intercompany financing arrangement
PUA890056 Northern Neck Electric Cooperative
For approval of long-term borrowing
PUA890058 Delmarva Power & Light Co.
For authority to establish nuclear fuel financing
PUA900001 Washington Gas Light Co.
For authority to issue debt securities and common stock
PUA900002 Northern Virginia Electric
For authority to increase short-term indebtedness with National Rural Utilities Cooperative Finance Corporation
PUA900003 Central Telephone Co. of VA
For authority to enter into affiliates sales representative agreement
PUA900004 Virginia Electric & Power Co.
For authority to transfer utility assets
PUA900005 C&P Telephone Company of VA
For authority to issue debt securities in a total principal amount of up to $4 million
PUA900006 Commonwealth Gas Services
For approval of intercompany financing for 1990
PUA900007 New Castle Telephone Company
For authority to enter into financing, assignment agreement and other affiliated transactions
PUA900008 Potomac Edison Company
For authority to issue first mortgage bonds
PUA900009 Community Electric Cooperative
For authority to borrow short-term funds from the National Rural Utilities Cooperative Finance Corporation
PUA900010 Delmarva Power & Light Co.
For authority to issue long-term debt obligations
PUA900011 Potomac Edison Company
For authority to issue and sell up to 1,250,000 additional shares of common stock to an affiliate
PUA900012 Doswell Limited Partnership
For authority to transfer property
PUA900013 Toll Road Corp. of VA
For certificate of authority and approval of rates of return, toll rates and ratemaking
PUA900014 Delmarva Power & Light Co.
For authority to issue up to 2,000,000 shares of common stock
PUA900015 Central Telephone Co of VA
For authority to issue first mortgage sinking fund bonds
PUA900016 Clifton Forge-Waynesboro Telephone Co.
For authority to modify a previously approved affiliates agreement
PUA900017 Danville Cellular Telephone
For approval of agreement with affiliate
PUA900019 Potomac Edison Company, The
For authority to issue securities
PUA900020 Virginia Electric & Power Co. and Rappahannock Electric Cooperative
For authority to transfer utility assets
PUA900021 Central Telephone Co. of VA
For authority to advance funds to Central Telephone Co.
PUA900022 Dale Service Corporation
For approval of certain transactions pursuant to affiliate act
PUA900023 GTE South Inc.
For authority to issue debt securities

PUA900024 Virginia Electric & Power Co.
For authority to issue up to $400 million aggregate principal amount of first and refunding mortgage bonds

PUA900025 Virginia Natural Gas Inc.
For authority to purchase or redeem and retire all outstanding preferred stock

PUA900026 Virginia Natural Gas Inc.
For authority to issue common stock

PUA900027 Community Electric Cooperative
For authority to issue notes to REA and CFC

PUA900028 Central Virginia Electric Cooperative
For authority to issue notes to REA and CFC and increase membership certificates

PUA900029 Shenandoah Telephone Company
For authority to update its allocation procedures and to include a new affiliate as part of the updated procedures

PUA900030 Virginia Electric & Power Co.
For authority to transfer public service property

PUA900031 Virginia Natural Gas Inc.
For annual authorization of financing under Consolidated Natural Gas Company

PUA900032 C&P Telephone Company of VA
For approval of contract amendment between C&P and Bell Atlantic Paging

PUA900033 Virginia-American Water Co.
For authority to issue short-term debt

PUA900034 Old Dominion Power Company
For approval of facilities agreement with Kentucky Utilities Co.

PUA900035 Virginia Electric & Power Co.
For authority to lease additional computer equipment and business machines

PUA900036 A&N Electric Cooperative, et al.
For authority to guarantee debt of Old Dominion Electric Cooperative

PUA900037 Southside Electric Cooperative
For approval of $7 million line of credit

PUA900038 CFW Cellular Inc., et al.
For approval of affiliate arrangements

PUA900040 Southside Electric Cooperative
For authority to issue notes to REA and CFC

PUA900041 Commonwealth Gas Pipeline Corp.
For authority to transfer interest in capacity

PUA900042 Potomac Edison Company, The
For authority to dispose of utility assets

PUA900043 Craig-Botetourt Electric Cooperative
For authority to issue notes to REA and CFC

PUA900044 Roanoke Gas Company
For authority to issue common stock

PUA900045 United Cities Gas Company
For approval of affiliates transactions

PUA900046 Appalachian Power Company
For authority to make cash contribution to affiliate

PUA900047 Washington Gas Light Company
For authority to engage in affiliate transactions and to make cash advances to subsidiaries

PUA900048 Washington Gas Light Company
For authority to issue short-term debt and approval of affiliated transactions

PUA900049 A&N Electric Cooperative
For authority to issue notes to REA and CFC

PUA900050 Commonwealth Gas Pipeline Corp.
For authority to transfer gas pipeline facilities

PUA900052 United Cities Gas Company
For authority to enter into affiliate arrangements

PUA900053 Delmarva Power & Light Co.
For authority to finance 7.41% interest in Salem nuclear generating station's fuel through nuclear energy contract

PUA900054 Delmarva Power & Light Co.
For authority to issue common stock

PUA900055 United Cities Gas Co.
For authority to incur short-term indebtedness

PUA900056 Virginia Natural Gas
For authority to enter into intercompany agreements

PUA900057 C&P Telephone Company of VA
For authority to sell two minicomputers to C&P of Washington

PUA900059 C&P Telephone Company of VA
For authority to join in affiliate agreement

PUA900060 GTE South
For authority to enter into contract with affiliate

PUA900061 GTE South
For approval of contract with affiliate Codetel

PUA900063 Commonwealth Gas Pipeline
To sell an interest in capacity to an affiliate
PUA900064 Shenandoah Telephone Co.
For clarification of authority to provide cable television service
PUA900065 Roanoke & Botetourt Telephone Co., et al.
For authority to enter into affiliate transactions
PUA900066 Shenandoah Telephone Company
For approval of affiliate transactions
PUA900067 C&P Telephone Company
For authority to participate in affiliate agreement
PUA900068 United Inter-Mountain Telephone Co.
For authority to loan or advance funds to parent United Telecommunications Inc.
PUA900070 United Inter-Mountain Telephone Co.
For approval of affiliate agreement with Sprint Communications Company Limited
PUA900071 Amelia Telephone Company
For authority to enter into affiliated arrangement

PUC: DIVISION OF COMMUNICATIONS

PUC900001 Contel of Virginia, et al.
To acquire certain telephone assets and service territory of Contel
PUC900004 Atlantic Telco Inc.
To revise C&P's tariff to eliminate charges for directory assistance calls made from non-C&P pay telephones
PUC900005 AT&T Communications of VA Inc.
For clarification of prohibition on "geographic de-averaging" of interexchange prices
PUC900006 Virginia RSA-6 Cellular Limited Partnership
For a certificate to provide cellular mobile radio communications in Augusta and Rockingham counties
PUC900008 Pactel Paging Inc.
For a certificate to provide radio common carrier services in Virginia
PUC900009 Contel of Virginia Inc.
To regrade multi-party lines serving only one subscriber
PUC900010 United Telespectrum of Virginia, Inc.
For cancellation of certificate to provide radio common carrier services
PUC900011 Central Telephone Company
For certificate to provide inter-lata, interexchange telephone service in Virginia and to have rates determined competitively
PUC900012 Omni Communications Inc.
For cancellation of its certificate to provide radio common carrier services
PUC900013 Denton II Inc.
To provide radio common carrier services throughout the Commonwealth
PUC900014 Salisbury Mobile Telephone of Virginia, Inc.
For a certificate to provide radio common carrier service in an area on the Eastern Shore
PUC900015 Charisma Enterprises Ltd., Petitioner v. Radio Phone Communications Inc.
Complaint alleging improper billing procedures of Metromedia Paging Services
PUC900016 Scott County Telephone Cooperative
For a certificate to provide inter-lata, interexchange telephone service within Virginia and to have rates determined competitively
PUC900017 Citizens Telephone Cooperative
To amend certificate for inter-lata, interexchange telephone service in Floyd and Montgomery counties
PUC900018 Virginia 10 RSA Limited Partnership
For a certificate to operate as cellular mobile radio communications carrier
PUC900019 United Inter-Mountain Telephone Co.
For revision of intrastate long distance rates
PUC900020 Middle Peninsula Communications Corp.
For discontinuation of telephone service
PUC900022 Radio Communications Co.
For a certificate to provide radio common carrier services throughout the Commonwealth
PUC900029 Ex Parte: Dual party relay service
For implementation of dual party relay service pursuant to Article 5, Chapter 15, Title 56 of the Code of Virginia
PUC900032 Suburban Cellular Inc.
For a certificate to provide cellular radio communications service in and around Madison county
PUC900033 Roanoke & Botetourt Telephone Co., at al.
For a certificate to provide interlata, interexchange telephone service
PUC900034 Pactel Paging of Virginia
For a certificate to provide radio common carrier services throughout the Commonwealth
PUC900036 Virginia RSA 3 Limited
For a certificate as a radio common carrier in RSA-3 geographic service area
PUC900037 Charlolttesville Cellular Partnership, d/b/a Cellular One
For a certificate to provide cellular radio telecommunications service
PUC900038 Norfolk-VA Beach-Portsmouth
For a certificate to provide cellular mobile radio communications in RSA-12 geographic service area

PUC900039 Central Telephone Co. of VA
To eliminate improved mobile telephone service in Charlottesville and Gum Tree
PUC900040 Virginia RSA 5 Limited
For a certificate to provide cellular mobile radio communications in RSA-5
PUC900041 Norfolk-VA Beach-Portsmouth
For a certificate to provide cellular mobile radio communications in RSA-9
PUC900042 Virginia RSA-4 Ltd.
For a certificate as a radio common carrier in RSA-4
PUC900043 Southwestern Bell Mobile
For certificates to provide cellular mobile radio communication in certain areas
PUC900044 Radio Phone Communications Inc.
To transfer radio common carrier certificate to Metromedia Paging Services Inc.
PUC900045 C&P Telephone Company
Company's 1989 annual informational filing
PUC900046 GTE South
Company's 1989 annual informational filing
PUC900047 United Inter-Mountain Telephone Co.
Company's 1989 annual informational filing
PUC900048 Contel of Virginia
Company's 1989 annual informational filing
PUC900049 Central Telephone Co. of VA
Company's 1989 annual informational filing
PUC900050 Institutional Commucations Company-VA
Alleged violation of VA Code §§ 56-482.1 and 56-482.2

PUE: DIVISION OF ENERGY REGULATION

PUE900001 Commonwealth Public Service Corp.
Co.'s annual informational filing for year ended 9/30/89 - Schedules 1-17
PUE900003 Virginia Electric & Power Co.
For approval and certification of Beechwood-South Hill 115 kv line
PUE900004 Ex Parte: Investigation
Investigation of standards for evaluating fuel costs projections of electric utilities
PUE900006 Virginia Electric & Power Co.
For approval of expenditures and certificate for generation facilities
PUE900007 Northern Virginia Electric Cooperative
For approval to offer incentive as part of load management program
PUE900008 Virginia Electric & Power Co.
To amend certificate No. ET-64S authorizing operation of transmission lines and facilities in Augusta County
PUE900009 Potomac Edison Company
To implement electric add-on heat pump program as promotional incentive
PUE900010 Washington Gas Light Co. and Virginia Natural Gas
For a certificate to provide public utility gas service
PUE900011 Commonwealth Gas Services Inc.
For a waiver of requirement to file cost of service study on behalf of Columbia Gas of Virginia, Inc.
PUE900012 Virginia Electric & Power Co.
To amend certificate No et-107G authorizing operation of transmission lines and facilities in Rockbridge County
PUE900013 Commonwealth Atlantic Limited Partnership
For a certificate and for approval for new generating facilities
PUE900015 Virginia Electric & Power Co.
For extension of time for filing certain contracts with qualifying facilities
PUE900016 Northern Virginia Natural Gas
For an expedited increase in rates
PUE900017 Virginia-American Water Co.
For an increase in rates
PUE900018 Highland Lakes Water Works
To increase tariffs pursuant to VA Code §§ 56-265.13 et seq.
PUE900019 Old Dominion Power Company
To revise its fuel factor
PUE900020 United Cities Gas Company
For additional time to file annual informational filing
PUE900021 Southwestern Virginia Gas Co.
For annual informational filing
PUE900022 Potomac Edison Company
For annual informational filing
PUE900023 Virginia Electric & Power Co.
For an expedited increase in rates
PUE900024 Old Dominion Power Company
For an expedited increase in rates
PUE900025 Delmarva Power & Light Co.
For annual informational filing - Schedules 1-17
PUE900026 Appalachian Power Company
For an increase in rates

PUE900027 Commonwealth Gas Pipeline
For annual informational filing for 12 months ended 12/31/89
PUE900028 Virginia Natural Gas Inc.
For general increase in gas rates
PUE900029 Ex Parte: Rules
Adoption of Commission rules for electric capacity bidding programs
PUE900030 Tellus Incorporated
For approval of power purchase and operating agreement
PUE900031 Contel Federal Systems Inc.
For establishment of new electric service class
PUE900032 Central Virginia Electric Cooperative
For a general increase in rates
PUE900033 Ex Parte: Rules
For adoption of Rules Governing the Certification of Notification Centers pursuant to VA Code § 56-265
PUE900034 Commonwealth Gas Services Inc.
For a general increase in natural gas rates
PUE900035 Evergreen Water Corporation
For a certificate to provide water service
PUE900037 Delmarva Power & Light Co.
Investigation to determine tariffs pursuant to VA Code § 56-249.6 and for a change in Service Classification X
PUE900038 Virginia Natural Gas Inc.
For a certificate to build a pipeline
PUE900039 Virginia Electric & Power Co.
For approval and certification of Altavista-Wayside nug 115/138 kv transmission lines
PUE900040 Virginia Electric & Power Co.
To amend Certificate No. ET-107H authorizing operation of transmission lines and facilities
PUE900041 Appalachian Power Company
To revise fuel factor and cogeneration tariff pursuant to VA Code § 56-249.6 and PURPA § 210
PUE900042 Shenandoah Gas Company
For an expedited increase in rates
PUE900043 A&N Electric Cooperative
For a general increase in rates
PUE900044 Ex Parte: Investigation
Investigation into promulgation of filing requirements for independent power producers
PUE900045 Shenandoah Valley Electric Cooperative
For a general increase in rates
PUE900046 Delmarva Power & Light Co.
For confidential treatment of certain information on report FM12
PUE900047 Dale Service Corporation
For annual informational filing
PUE900050 Doswell Limited Partnership
For confidential treatment of certain information
PUE900052 Tellus, Inc.
Petition for arbitration
PUE900053 Ex Parte: Priorities
Priorities for available gas supplies
PUE900054 Virginia Electric & Power Co.
For approval of a revision in fuel factor
PUE900058 Shenandoah Gas Company, et al.
Petition seeking declaratory relief relating to provision of natural gas services in Shenandoah County
PUE900059 Virginia Electric & Power Co.
For a declaratory judgment
PUE900062 One Call Concepts Inc.
For a certificate to operate as a notification center pursuant to VA Code § 56-265.16:1
PUE900063 Broadview Water Works
For an increase in its tariffs
PUE900064 Virginia Electric & Power Co.
For waiver of prohibition on payments, subsidies, or allowances to influence the installation, sale, purchase or use of appliances or equipment
PUE900066 Commonwealth Gas Pipeline Corp.
To cancel existing certificates and gas tariff
PUE900067 Appalachian Power Company
For authority to enter into transaction for acquisition of utility assets
PUE900070 Ex Parte: Investigation
Investigation of conservation and load management programs

PUF: DIVISION OF PUBLIC UTILITY FINANCE

PUF900001 Appalachian Power Company
For authority to issue pollution control revenue bonds
PUF900002 A&N Electric Cooperative, et al.
To issue financing facilities to support guarantees of debt of Old Dominion Electric Cooperative

PUF900003 BARC Electric Cooperative
For authority to issue notes to REA and CFC
PUF900004 Virginia Electric & Power Co.
For authority to sell securities to affiliate
PUF900005 GTE South Inc.
For authority to incur short-term indebtedness
PUF900006 Potomac Edison Company
For authority to issue $50,000,000 additional first mortgage bonds
PUF900008 Potomac Edison Co., The
To issue and sell up to 1,250,000 shares of common stock
PUF900009 Northern Virginia Electric
To issue notes to REA and CFC
PUF900010 Virginia Natural Gas Inc.
For authority to enter into operating lease with Conag Finance Inc.
PUF900011 Appalachian Power Company
For authority to issue short-term debt
PUF900012 Old Dominion Power Company
For authority to issue securities pursuant to Chapters 3 and 4 of Title 56 of VA Code

RRR: DIVISION OF RAILROAD REGULATION

RRR900001 Norfolk Southern Corporation
For authority to transfer agency work of Lawrenceville, VA to Suffolk, VA and to change classification of Lawrenceville, VA
RRR900002 Norfolk & Western Railway Co.
For authority to reclassify Norton, VA as a non-agency station under the jurisdiction of the Andover, VA agency
RRR900003 CSX Transportation Inc.
For authority to relocate agency duties of Suffolk, VA along with non-agency stations under its jurisdiction
RRR900004 CSX Transportation Inc.
For authority to close Pennington agency and place Pennington and non-agency station of Hagans under Dante scale
RRR900006 CSX Transportation Inc.
For authority to close agency at Gordonsville, VA and transfer service to Richmond, VA
RRR900007 Norfolk & Western Railway
For authority to relocate agency and transfer agency duties

SEC: DIVISION OF SECURITIES AND RETAIL FRANCHISING

SEC900001 Birkenfeld, Karl F.
For offer of compromise and settlement
SEC900002 Ermilio Michael C.
For offer of compromise and settlement
SEC900003 Pacific Asset Group Inc.
For offer of compromise and settlement
SEC900004 Mutual Series Fund Inc.
For offer of compromise and settlement
SEC900005 Clipper Fund Inc.
For offer of compromise and settlement
SEC900006 Cardinal Financial Equities
Alleged violation of VA Securities Act - Rule 307C
SEC900007 Childrens Hosiptal Medical Center
For certificate of exemption pursuant to VA Code § 13.1-514.1.B
SEC900008 Anderson & Strudwick
Alleged violation of VA Code § 13.1-523
SEC900009 New Mount Vernon Baptist Church
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC900010 Three Chopt Presbyterian Church
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC900011 Northern Virginia Mennonite Church
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC900012 Chevy Chase Securities Inc.
For offer of compromise and settlement
SEC900013 Moors & Cabot Inc.
For offer of compromise and settlement
SEC900014 Memorial Baptist Church
For certificate of exemption pursuant to VA Code § 13.1-514.1.B
SEC900015 Sarroff, Alan
Alleged violation of VA Code § 13.1-504 A and B
SEC900016 Sager, Lee H. Jr.
Alleged violation of VA Code § 13.1-504 A and B
SEC900017 Cole, Mary Elizabeth
Alleged violation of VA Code § 13.1-504 A and B

SEC900018 Hankins, Beverly Ann
Alleged violation of VA Code § 13.1-504 A and B
SEC900019 Sager, Roger Paul
Alleged violation of VA Code § 13.1-504 A and B
SEC900020 Bridgemere Capital Markets Inc.
Alleged violation of VA Code § 13.1-518.1
SEC900021 Triumph Securities Corp.
For offer of compromise and settlement
SEC900022 Mineral Spring Baptist Church
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC900024 C. H. Mason Memorial Church of God in Christ
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC900025 Great Lakes Equities Co.
Alleged violation of VA Code § 13.1-518.1
SEC900026 International Tours Inc.
For offer of compromise and settlement
SEC900027 Smith & Lawrence Co.
For offer of compromise and settlement
SEC900028 Boston Capital Services Inc.
For offer of compromise and settlement
SEC900029 Baupost Group Inc., The
For offer of compromise and settlement
SEC900030 Portfolio Asset Management & Investment Advisory Services Inc.
For offer of compromise and settlement
SEC900031 Dogwood Hills Golf Course Inc.
For certification of exemption pursuant to VA Code § 13.1-514.1.A
SEC900032 Ziegler Securities
For certification of exemption pursuant to VA Code § 13.1-514.1.B
SEC900033 Amtex Oil Financial Inc.
Alleged violation of VA Securities Act - Rule 307C
SEC900034 Ex Parte: Rules
Promulgation of rules pursuant to VA Code § 13.1-523 (VA Securities Act)
SEC900035 Seacoast Investor Services Inc.
For offer of compromise and settlement
SEC900036 North Texas Higher Education Authority Inc.
For certificate of exemption pursuant to VA Code § 13.1-514.1.B
SEC900037 North Run Baptist Church
For certificate of exemption pursuant to VA Code § 13.1-514.1.B
SEC900038 Flag Investors Telephone Income Fund Inc.
For offer of compromise and settlement
SEC900039 Ritter, Morris Lee
For offer of compromise and settlement
SEC900040 Hersch, Glenn Ralph
For offer of compromise and settlement
SEC900041 Finnerman, James David
For offer of compromise and settlement
SEC900042 Gooch, Christian Claiborne
For offer of compromise and settlement
SEC900043 WNH Limited Partnership
For an official interpretation pursuant to VA Code § 13.1-525
SEC900044 Development Bank of Washington
For an official interpretation pursuant to VA Code § 13.1-525
SEC900045 Fund for an Open Society
For certificate of exemption pursuant to VA Code § 13.1-514.1.B
SEC900046 Louisa County Farm Bureau Inc.
For certificate of exemption pursuant to VA Code § 13.1-514.1.B
SEC900047 Nebraska Higher Education Loan Program Inc.
For certificate of exemption pursuant to VA Code § 13.1-514.1.B
SEC900048 Goodstein, Jeffrey R.
For offer of compromise and settlement
SEC900049 Balanced Spread Fund Limited Partnership
For offer of compromise and settlement
SEC900050 National Covenant Properties
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC900051 RTA Investments
For offer of compromise and settlement
SEC900052 American Heritage Fund Inc.
For offer of compromise and settlement
SEC900053 Ecova Corporation
For an official interpretation pursuant to VA Code § 13.1-525
SEC900054 Community Church of God in Christ
For order of exemption pursuant to VA Code § 13.1-514.1.B

SEC900055 Investors Diversified Financial Services Inc. t/a Haas Investment Management Group
For offer of compromise and settlement
SEC900056 Friends Meeting Hours Fund Inc.
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC900057 Boston Capital Services
For offer of compromise and settlement
SEC900058 Financial Planning Advisory Inc.
For offer of compromise and settlement
SEC900059 Corbin, Richard P.
For offer of compromise and settlement
SEC900060 Garrett, James Ellis
For offer of compromise and settlement
SEC900061 Garrett Management
For offer of compromise and settlement
SEC900062 Butcher Financial Corp.
Alleged violation of VA Code § 13.1-518.1
SEC900063 Chicago Corporation, The
Alleged violation of VA Code § 13.1-518.1
SEC900064 Genesee Investment Corp.
For offer of compromise and settlement
SEC900065 Lebenthal & Co. Inc.
Alleged violation of VA Code § 13.1-518.1
SEC900066 Shelter Rock Securities
Alleged violation of VA Code § 13.1-518.1
SEC900067 West End Community Church of the Nazarene
For certificate of exemption pursuant to VA Code § 13.1-513.1.B
SEC900068 Jones, Gary W.
Alleged violation of Commission order of 11/13/89 issuing a subpoena for production of documents
SEC900069 S. I. Edwards Memorial Sabbath Apostolic Church
For certificate of exemption pursuant to VA Code § 13.1-514.1.B
SEC900070 Avalon Church of Christ
For certificate of exemption pursuant to VA Code § 13.1-518.1.B
SEC900071 Creative Tax Planners Inc.
For offer of compromise and settlement
SEC900072 Virginia Tech Foundation
For certificate of exemption pursuant to VA Code § 13.1-518.1.B
SEC900073 Roberts, Mark W.
For offer of compromise and settlement
SEC900074 Hill, David R.
For offer of compromise and settlement
SEC900075 HRH Energy Group Inc.
For offer of compromise and settlement
SEC900076 Whitehall Securities Inc. & Gamby, Peter Ludwig
Alleged violation of Commission order of 4/9/90
SEC900077 Bethany Home & Hospital of the Methodist Church
For certificate of exemption pursuant to VA Code § 13.1-514.1.B
SEC900078 Home Mission Board of the Southern Baptist Convention
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC900079 Options Clearing Corp.
For an official interpretation pursuant to VA Code § 13.1-525
SEC900080 Moore, William F.
Alleged violation of Commission order of 3/15/90
SEC900081 Brokers Exchange Inc.
For offer of compromise and settlement
SEC900082 Heart Institute, The
For certificate of exemption pursuant to VA Code § 13.1-514.1.B
SEC900083 Gay, Wilson Kell Jr. d/b/a Commonwealth Investment Management
For offer of compromise and settlement
SEC900084 Roberts, Todd Thomas
For offer of compromise and settlement
SEC900085 Atlantic Shores Christian Schools Inc.
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC900086 Atlantic Shores Baptist Church
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC900087 Vandelinde Investment Planning Inc.
For offer of compromise and settlement
SEC900088 Vandelinde, Terry L.
For offer of compromise and settlement
SEC900089 Pockets Inc.
For cancellation of service mark registration
SEC900090 Analytic Optioned Equity Fund, Inc.
For offer of compromise and settlement

SEC900091 Shearson Lehman Hutton Inc.
For an official interpretation pursuant to VA Code § 13.1-525
SEC900092 Monoclonal Antibodies Inc.
For an official interpretation pursuant to VA Code § 13.1-525
SEC900093 Parnassus Fund, The
For offer of compromise and settlement
SEC900094 Scott, Steve a/k/a Steve Scott Moleski
Alleged violation of VA Code §§ 13.1-504A and 13.1-507
SEC900095 S&S Petroleum Inc.
Alleged violation of VA Code §§ 13.1-504B and 13.1-507
SEC900096 Gardner Securities Inc.
Alleged violation of VA Securities Act - Rule 307C
SEC900097 Excel Midas Gold Shares Inc.
For offer of compromise and settlement
SEC900098 Shearson Lehman Hutton
For offer of compromise and settlement
SEC900099 Horning, Harry H. d/b/a Financial Planning Center & Financial Planning Center of Manassas
For temporary injunction
SEC900100 Virginia Home Improvements, Petitioner v. Colonial Remodeling, Defendant
For cancellation of service mark registration
SEC900101 Lutheran Church Extension Fund Missouri Synod
For certificate of exemption pursuant to VA Code § 13.1-514.1.B
SEC900102 Crystal Hill Securities
For offer of compromise and settlement
SEC900103 First Union Brokerage Services Inc.
Alleged violation of VA Code § 13.1-518.1
SEC900104 Brill Securities Inc.
For offer of compromise and settlement
SEC900105 DFW Clearing Inc.
Alleged violation of VA Code § 13.1-518.1
SEC900106 Weatherly Securities Corp.
For offer of compromise and settlement
SEC900107 Barclay Investments Inc.
For offer of compromise and settlement
SEC900108 Adams Securities Inc.
Alleged violation of VA Code § 13.1-518.1
SEC900109 Heart Institute, The
For certificate of exemption pursuant to VA Code § 13.1-514.1.B
SEC900110 University Community Hospital
For certificate of exemption pursuant to VA Code § 13.1-514.1.B
SEC900111 Amivest Corporation
For offer of compromise and settlement
SEC900112 Planned Management Company
For offer of compromise and settlement
SEC900113 Southside Baptist Temple
For certificate of exemption pursuant to VA Code § 13.1-514.1.B
SEC900114 William Blair & Company
For offer of compromise and settlement
SEC900115 JSC Securities Inc.
For offer of compromise and settlement
SEC900116 Morgan Stanley & Co.
For an official interpretation pursuant to VA Code § 13.1-525
SEC900117 Virginia Horse Center Foundation, The
For certificate of exemption pursuant to VA Code § 13.1-514.1.B
SEC900118 Doctor's Hospital Inc.
For certificate of exemption pursuant to VA Code § 13.1-514.1.B
SEC900119 Laurel, Inc.
For certificate of exemption pursuant to VA Code § 13.1-514.1.B
SEC900120 Kettler and Company
For offer of compromise and settlement
SEC900121 First Capital Holdings Corp.
For an official interpretation pursuant to VA Code § 13.1-525
SEC900122 Burke Presbyterian Church
For certificate of exemption pursuant to VA Code § 13.1-514.1.B
SEC900123 Blasanne Inc.
For offer of compromise and settlement
SEC900124 National Investment Services of America Inc.
For order of exclusion under Virginia Securities Act
SEC900125 Blinder Robinson & Co. Inc.
Alleged violation of VA Code §§ 13.1-506 and 13.1-504B
SEC900126 Board of Church Extension
For certificate of exemption pursuant to VA Code § 13.1-514.B

SEC900128 First Eagle Inc.
For offer of compromise and settlement
SEC900129 Investment Planning Advisory
For offer of compromise and settlement
SEC900130 Optima Securities Ltd.
Alleged violation of VA Code § 13.1-518.1
SEC900131 U R Financial Inc.
Alleged violation of VA Code § 13.1-518.1
SEC900132 Continental Broker-Dealer Corp.
Alleged violation of VA Code § 13.1-518.1
SEC900133 Brandon Securities & Investments Inc.
Alleged violation of §§ 13.1-518.1 and 13.1-506(5)
SEC900134 First Carolina Investment Corp.
Alleged violation of VA Code § 13.1-518.1
SEC900135 Investment & Product Analysis Corp. of America Inc.
Alleged violation of VA Code §§ 13.1-506(5) and 13.1-518.1
SEC900136 Savitz, Wallace
For offer of compromise and settlement
SEC900137 Liberty University Inc.
For certificate granting or denying exemption
SEC900138 Pitts, Thomas Oscar Individually and d/b/a Crawford Pitts and Ryan Ltd.
For offer of compromise and settlement
SEC900139 Dreman Mutual Group Inc.
For offer of compromise and settlement
SEC900140 Luthern Church Extension Fund Missouri Synod
For order of exemption under VA Code § 13.1-514.B
SEC900141 McKeever Investment Trust
For offer of compromise and settlement
SEC900142 Phillips, Frederic H.
For offer of compromise and settlement
SEC900143 Painewebber, Inc.
Alleged violation of VA Code § 13.1-504.B
SEC900144 James Hart Puryear & Puryear Financial Services
Alleged violation of VA Code § 13.1-518
SEC900145 Jonathan Alan & Company Inc.
For offer of compromise and settlement
SEC900146 Alpine Capital Management Corp.
Alleged violation of VA Code § 13.1-504.A