Ninety-Fourth Annual Report

of the

State Corporation Commission

of

Virginia

For the Year Ending December 31, 1996

GENERAL REPORT

Letter of Transmittal

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

RICHMOND, VIRGINIA, *December 31, 1996*

To the Honorable George F. Allen

Governor of Virginia

Sir:

We have the honor to transmit herewith the ninety-fourth Annual Report of the State Corporation Commission for the year 1996.

Respectfully submitted,

Theodore V. Morrison, Jr., Chairman

Hullihen Williams Moore, Commissioner

Clinton Miller, Commissioner

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State Corporation Commission

COMMISSIONERS

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

William J. Bridge

Clerk of the Commission

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*Term as Chairman expired January 31, 1996.
Retired as Commissioner, effective January 31, 1996.

**Elected Chairman effective for term of one year,
February 1, 1996

Commissioners

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

The names and terms of office of the Commissioners:

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

From 1903 through 1996 the lines of succession were:

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

Preface

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

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

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

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

Rules of Practice and Procedure

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PART I
THE STATE CORPORATION COMMISSION

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

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

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

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

PART II
ORGANIZATION

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

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

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

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

(a) Accounting and Finance.

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

(b) Bureau of Financial Institutions.

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

(c) Bureau of Insurance.

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

(d) Clerk's Office.

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

(e) Communications.

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

(f) Corporate Operations.

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

(g) Economic Research and Development.

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

(h) Energy Regulation.

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

(i) General Counsel.

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

(j) Motor Carrier.

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

(k) Public Service Taxation.

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

(l) Railroad Regulation.

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

(m) Securities and Retail Franchising.

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

(n) Uniform Commercial Code.

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

PART III
ADMINISTRATIVE FUNCTIONS

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

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

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

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

PART IV
PARTIES TO PROCEEDINGS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PART V
PLEADINGS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5:10. *Contents.*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PART VI
PREHEARING PROCEDURES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) The simplification or limitation of issues;

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

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

(d) The limitation of witnesses;

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

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

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

PART VII
PROCEEDINGS BEFORE A HEARING EXAMINER

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

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

PART VIII
FORMAL HEARING

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

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

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

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

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

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

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

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

(vi) The presentation of evidence.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

LEADING MATTERS DISPOSED OF BY FORMAL ORDERS

BUREAU OF FINANCIAL INSTITUTIONS

CASE NO. BAN19950718
JANUARY 29, 1996

APPLICATION OF
HARBOR BANK

For a certificate of authority to begin business as a bank at 11001 Warwick Boulevard, City of Newport News, 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 11001 Warwick Boulevard, City of Newport News, 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 Newport News, 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 Harbor Bank to do a banking business at 11001 Warwick Boulevard, City of Newport News, 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 $10,000,000 be paid into the bank and allocated as follows: $5,000,000 to capital stock, $2,500,000 to surplus, and $2,500,000 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. BAN19950857
FEBRUARY 28, 1996

APPLICATION OF
JAMES RIVER BANKSHARES, INC.

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

ORDER GIVING NOTICE OF INTENT NOT TO DISAPPROVE AN ACQUISITION

ON A FORMER DAY came James River Bankshares, Inc., Suffolk, Virginia, and filed its application, as required by Virginia Code Section 6.1-383.1, to acquire 100 percent of the voting shares of Bank of Isle of Wight, the resulting bank in a merger of BIW Acquisition Bank, an interim bank, and Bank of Isle of Wight (Smithfield, Virginia). The application was investigated by the Bureau of Financial Institutions.

Having considered the application and the report of the Bureau of Financial Institutions, the Commission is of the opinion and finds that the application complies with Code Section 6.1-383.1, and that there is no reason to disapprove or impose conditions on the proposed acquisition.

THEREFORE, the Commission issues this notice of its intent not to disapprove the acquisition by James River Bankshares, Inc. of 100 percent of the voting shares of Bank of Isle of Wight, the resulting bank in a merger of BIW Acquisition Bank and Bank of Isle of Wight. This matter shall be placed among the ended cases.

CASE NOS. BAN19950859 and BAN19950860
FEBRUARY 28, 1996

APPLICATIONS OF
BIW ACQUISITION BANK

For a certificate of authority to do a banking business in Smithfield, Isle of Wight County

and

BANK OF ISLE OF WIGHT

For a certificate of authority to do a banking business following a merger with BIW Acquisition Bank, an interim bank

ORDER GRANTING CERTIFICATES OF AUTHORITY AND AUTHORIZING THE MERGED BANK TO DO BUSINESS

On December 5, 1995, BIW Acquisition Bank, an interim bank, applied, pursuant to Virginia Code Section 6.1-13, for a certificate of authority to do a banking business at 1803 South Church Street, Smithfield, Isle of Wight County, Virginia. On the following day Bank of Isle of Wight (Smithfield, Virginia) applied, pursuant to Virginia Code Section 6.1-44, for a certificate of authority to do a banking business at its existing location following its merger with BIW Acquisition Bank. The applications and supporting documents were referred to the Bureau of Financial Institutions for investigation.

The Bureau's report of investigation in the matter indicates that the certificates are being sought to facilitate the proposed acquisition of Bank of Isle of Wight, the resulting bank in the proposed merger, by James River Bankshares, Inc., (Suffolk), pursuant to Chapter 13 of Title 6.1 of the Code.

Now having considered the applications and the report of the Bureau of Financial Institutions, the Commission is of the opinion that the certificates of authority applied for should be granted. The Commission ascertains with respect to the provisions of Section 6.1-13 that: (1) all provisions of law have been complied with; (2) the stock of the interim bank has been subscribed, and the capital (i.e., capital stock will be $2,045,000, surplus and reserve for operations will be not less than $1,080,000) of the resulting bank will be sufficient for successful operation; (3) the oaths of all directors have been taken and filed in accordance with the provisions of Virginia Code Section 6.1-48; (4) the applicants were formed for no other reason than a legitimate banking business; (5) the moral fitness, financial responsibility, and business qualifications of those named as officers and directors of the proposed banks are such as to command the confidence of the community in which the resulting bank proposes to be located; and (6) the deposits of the resulting bank will be insured by the Federal Deposit Insurance Corporation. And the Commission is of the opinion and finds that granting the certificates sought herein will be in the public interest.

ACCORDINGLY IT IS ORDERED that a certificate of authority to do a banking business be granted to BIW Acquisition Bank, and a certificate hereby is granted.

AND IT IS FURTHER ORDERED, effective upon the issuance by the Clerk of the Commission of a certificate merging BIW Acquisition Bank into Bank of Isle of Wight, that the resulting bank, namely Bank of Isle of Wight, is authorized to do a banking business at 1803 South Church Street, Smithfield, Isle of Wight County, Virginia and elsewhere in this state as authorized by law.

CASE NO. BAN19950861
FEBRUARY 28, 1996

APPLICATION OF
JAMES RIVER BANKSHARES, INC.

To acquire First Colonial Bank, FSB

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came James River Bankshares, Inc., a Virginia bank holding company, and in accordance with § 6.1-194.40 of the Code of Virginia applied for approval of its proposed acquisition of 100 percent of the voting stock of First Colonial Bank, FSB, a federal savings bank. James River, with assets of $152.4 million, has its headquarters in Suffolk, Virginia; First Colonial, with assets of $130.8 million, has its main office in Hopewell, Virginia. The application was referred to the Bureau of Financial Institutions.

Having considered the application and the report of investigation of the Bureau, the Commission is of the opinion and finds that the applicant has complied with Code § 6.1-194.40, and that the acquisition should be approved.

THEREFORE, IT IS ORDERED that the application of James River Bankshares, Inc. to acquire 100 percent of the voting stock of First Colonial Bank, FSB be granted, and the acquisition of First Colonial by James River hereby is approved. There being nothing further to be done in this matter, it shall be placed among the ended cases.

CASE NOS. BAN19950906 and BAN19950907
APRIL 1, 1996

APPLICATIONS OF
NBI INTERIM BANK

For a certificate of authority to do a banking business in Blacksburg, Montgomery County

and

BANK OF TAZEWELL COUNTY

For a certificate of authority to do a banking and trust business following its merger with NBI Interim Bank, an interim bank

ORDER GRANTING CERTIFICATES OF AUTHORITY AND AUTHORIZING THE MERGED BANK TO DO BUSINESS

On December 18, 1995, NBI Interim Bank applied, pursuant to Virginia Code Section 6.1-13, for a certificate of authority to do a banking business at 100 South Main Street, Blacksburg, Montgomery County, Virginia. On the same day, Bank of Tazewell County (Tazewell, Virginia) applied, pursuant to Virginia Code Section 6.1-44, for a certificate of authority to do a banking and trust business at its existing locations following its merger with NBI Interim Bank. The applications and supporting documents were referred to the Bureau of Financial Institutions for investigation.

The Bureau's report of investigation indicates that the certificates are being sought to facilitate the proposed acquisition of Bank of Tazewell County, the resulting bank in the proposed merger, by National Bankshares, Inc., (Blacksburg, Virginia), pursuant to Chapter 13 of Title 6.1 of the Code of Virginia, and the operation of the Bank of Tazewell County following the merger.

Now having considered the applications and the report of the Bureau, the Commission is of the opinion that the certificates of authority applied for should be granted. The Commission ascertains with respect to the provisions of Section 6.1-13 that: (1) all provisions of law have been complied with; (2) the stock of the interim bank has been subscribed, and the capital (i.e., capital stock will be $2,077,029, surplus and reserve for operations will be not less than $23,523,180) of the resulting bank will be sufficient for successful operation; (3) the oaths of all directors have been taken and filed in accordance with the provisions of Virginia Code Section 6.1-48; (4) the applicants were formed for no other reason than a legitimate banking business; (5) the moral fitness, financial responsibility, and business qualifications of those named as officers and directors of the proposed banks are such as to command the confidence of the community in which the resulting bank proposes to be located; and (6) the deposits of the resulting bank will be insured by the Federal Deposit Insurance Corporation. And the Commission is of the opinion and finds that granting the certificates sought herein will be in the public interest.

IT IS THEREFORE ORDERED that a certificate of authority to do a banking business be granted to NBI Interim Bank, and a certificate hereby is granted.

AND IT IS FURTHER ORDERED, effective upon the issuance by the Clerk of the Commission of a certificate merging NBI Interim Bank into Bank of Tazewell County, that the resulting bank, namely Bank of Tazewell County, is authorized to do a banking and trust business at 100 South Main Street, Blacksburg, Montgomery County, Virginia and elsewhere in this state as authorized by law.

CASE NO. BAN19950908
APRIL 1, 1996

APPLICATION OF
NATIONAL BANKSHARES, INC.

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

ORDER GIVING NOTICE OF INTENT NOT TO DISAPPROVE AN ACQUISITION

ON A FORMER DAY came National Bankshares, Inc., Blacksburg, Virginia, and filed its application, as required by Virginia Code Section 6.1-383.1, to acquire 100 percent of the voting shares of Bank of Tazewell County, the resulting bank in a merger of NBI Interim Bank and Bank of Tazewell County (Tazewell, Virginia). The application was investigated by the Bureau of Financial Institutions.

Having considered the application and the report of the Bureau of Financial Institutions, the Commission is of the opinion and finds that the application complies with Code Section 6.1-383.1, and that there is no reason to disapprove or impose conditions on the proposed acquisition.

THEREFORE, the Commission issues this notice of its intent not to disapprove the acquisition by National Bankshares, Inc. of 100 percent of the voting shares of Bank of Tazewell County. This matter shall be placed among the ended cases.

CASE NO. BAN19960037
MARCH 19, 1996

APPLICATION OF
MORTGAGE SERVICING ACQUISITION CORPORATION

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Mortgage Servicing Acquisition Corporation, Englewood, Colorado, and filed an application, as required by Virginia Code Section 6.1-416.1, to acquire 25 percent or more of the ownership of B First Residential Corporation. Thereupon the application was referred to the Bureau of Financial Institutions for investigation.

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

CASE NO. BAN19960053
APRIL 17, 1996

APPLICATION OF
SIGNET BANK

For a certificate of authority to do a banking and trust business following the merger of Signet Bank, National Association into Signet Bank

Signet Bank, which is proposed to be the resulting bank in a merger with Signet Bank, National Association, applied, pursuant to Virginia Code Sections 6.1-43 and 6.1-44, for a certificate of authority to do a banking and trust business following the merger of the two banks, both wholly-owned subsidiaries of Signet Banking Corporation. The application was referred to the Bureau of Financial Institutions for investigation. It is proposed that the resulting bank, Signet Bank, will have its main office at 7 North Eighth Street, City of Richmond, Virginia, and that it will operate as branches the authorized offices of Signet Bank, National Association, as well as the existing branch offices of Signet Bank.

The Commission, having considered the application and the report of the Bureau's investigation, is of the opinion that the certificate of authority required by Code Section 6.1-44 should be issued, and the Commission finds (1) that all the provisions of law have been complied with; (2) that the capital stock of the resulting bank will be $68,242,000 and its surplus and reserve for operations will amount to not less than $704,434,000; (3) that the oaths of all directors have been taken and filed in accordance with the provisions of Code Section 6.1-48; (4) that the bank was formed for no other reason than the conduct of a legitimate banking business; (5) that the moral fitness, financial responsibility and business qualifications of those named as officers and directors of the resulting bank are such as to command the confidence of the communities in which it is proposed to be located; and (6) that the deposits of the resulting bank will be insured by the Federal Deposit Insurance Corporation. The Commission, moreover, is of the opinion and finds that the public interest will be served by the continued operation, by the resulting bank, of the currently-authorized offices and facilities of Signet Bank, National Association - as well as those of Signet Bank. (A list of authorized Signet Bank, National Association offices to be operated by Signet Bank is attached.)

IT IS THEREFORE ORDERED that, effective upon the issuance by the Clerk of the Commission of a certificate of merger, a certificate of authority be, and it is hereby, GRANTED to Signet Bank authorizing it to do a banking and trust business at its main office, 7 North Eighth Street, City of Richmond, Virginia and at all offices of the merging banks heretofore authorized.

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

CASE NO. BAN19960060
MARCH 29, 1996

APPLICATION OF
JOHN T. RODGERS

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came John T. Rodgers, Oakton, Virginia, and filed an application, as required by Virginia Code Section 6.1-416.1, to acquire 25 percent or more of the ownership of American Finance & Investment, Inc. Thereupon the application was referred to the Bureau of Financial Institutions for investigation.

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

acquisition of 25 percent or more of the ownership of American Finance & Investment, Inc. by John T. Rodgers and orders that this matter be placed among the ended cases.

CASE NO. BAN19960061
MARCH 18, 1996

APPLICATION OF
F & M NATIONAL CORPORATION

Pursuant to Title 6.1, Chapter 13, Code of Virginia

ORDER GIVING NOTICE OF INTENT NOT TO DISAPPROVE AN ACQUISITION

ON A FORMER DAY came F & M National Corporation, a Virginia corporation, and filed its application, as required by Virginia Code Section 6.1-383.1, to acquire 100 percent of the voting stock of FB&T Financial Corporation, Fairfax, Virginia. Thereupon the application was referred to the Bureau of Financial Institutions.

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

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

CASE NO. BAN19960135
MARCH 18, 1996

APPLICATION OF
MARTINSVILLE DU PONT EMPLOYEES CREDIT UNION, INCORPORATED

To merge into itself M.H.M.H.C. Employees Credit Union

ORDER APPROVING THE MERGER

Martinsville du Pont Employees Credit Union, Incorporated filed an application to merge into itself M.H.M.H.C. Employees Credit Union, pursuant to the provisions of Section 6.1-225.27 of the Code of Virginia.

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

THEREFORE, IT IS ORDERED that the merger of M.H.M.H.C. Employees Credit Union into Martinsville du Pont Employees Credit Union, Incorporated is approved, provided that the merger, which will be effective when the Clerk issues a certificate of merger, shall be accomplished not later than one year from this date. Following the merger, Martinsville du Pont Employees Credit Union, Incorporated shall be authorized to operate, as a service facility, what is now the office of M.H.M.H.C. Employees Credit Union at 320 Hospital Drive, City of Martinsville, Virginia.

CASE NO. BAN19960136
APRIL 24, 1996

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

To acquire CSB Financial Corporation

ORDER OF APPROVAL

ON A FORMER DAY came One Valley Bancorp of West Virginia, Inc., ("One Valley") and filed an application pursuant to Article 11 of Chapter 3.01 of Title 6.1 of the Code of Virginia (Va. Code Section 6.1-194.96, ff.) to acquire CSB Financial Corporation ("CSB Financial"). One Valley is an out-of-state savings institution holding company within the meaning of Virginia Code Section 6.1-194.96. CSB Financial is a savings institution holding company, the parent of Co-operative Savings Bank, FSB, a Virginia savings institution headquartered in Lynchburg, Virginia. The application

was referred to the Bureau of Financial Institutions for investigation, and notice of the application was published in the Bureau's Weekly Information Bulletin dated March 1, 1996. No objection to the proposed acquisition was received.

Having considered the relevant statutes of Virginia and West Virginia and the report of the Bureau's investigation herein, the Commission is of the opinion and finds that the statutory prerequisites to approval of the application set forth in Code Section 6.1-194.97 are met, namely: (1) the laws of West Virginia permit Virginia savings institution holding companies meeting the criteria of Article 11 to acquire savings institutions or savings institution holding companes in that state; (2) the laws of West Virginia would permit CSB Financial to acquire One Valley; and (3) Co-operative Savings Bank, FSB has been in existence and continuously operating for more than two years.

Furthermore, the Commission determines, pursuant to Code Section 6.1-194.99, that (1) the proposed acquisition would not be detrimental to the safety or soundness of the applicant or CSB; (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 Co-operative Savings Bank, FSB; and (4) the acquisition is in the public interest. Therefore, the Commission hereby approves the acquisition of CSB Financial Corporation by One Valley Bancorp of West Virginia, Inc.

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

CASE NO. BAN19960172
APRIL 12, 1996

APPLICATION OF
GEORGE MASON BANKSHARES, INC.

Pursuant to Section 6.1-406 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came George Mason Bankshares, Inc. and filed its notice, as required by the Virginia Code Section 6.1-406, to acquire Palmer National Bank, Washington, D.C. 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 Palmer National Bank by George Mason Bankshares, Inc. This matter shall be placed among the ended cases.

CASE NO. BAN19960200
MAY 29, 1996

APPLICATION OF
CITIZENS ACQUISITION SUBSIDIARY, INC.

For a certificate of authority to begin business as a bank at 643 East Riverside Drive, Tazewell, Tazewell County, Virginia and for authority to operate certain offices following a merger with Citizens Bank of Tazewell

ORDER GRANTING AUTHORITY

ON A FORMER DAY Citizens Acquisition Subsidiary, Inc., an interim bank, applied to the Commission for a certificate of authority to begin business as a bank at 643 East Riverside Drive, Tazewell, Tazewell County, Virginia, and for authority for the bank, as the surviving bank in a proposed merger with Citizens Bank of Tazewell, to operate the above main office and a branch office of that existing state bank located at Railroad Avenue and Third Street, Richlands, Tazewell County, Virginia. It is proposed that Citizens Bank of Tazewell will merge into Citizens Acquisition Subsidiary, Inc. using the charter of the latter corporation and the new title "Citizens Bank of Tazewell, Inc." The application, with supporting documents and information, was referred to the Commissioner of Financial Institutions for an investigation and report.

The Commissioner has submitted his report of investigation in the matter, indicating that the authorizations sought herein are steps to facilitate the proposed acquisition of Citizens Bank of Tazewell by FCFT, Inc., a West Virginia bank holding company, pursuant to Chapter 15 of Title 6.1 of the Code of Virginia.

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 Citizens Acquisition Subsidiary, Inc., and with respect thereto the Commission finds (1) that all the provisions of law have been complied with; (2) that the stock of the interim bank has been subscribed and that the capital of the resulting bank will be an amount deemed sufficient for successful operation, i.e., capital stock of $2,000,000 and surplus and a reserve for operations of not less than $3,856,000; (3) that the oaths of all directors have been taken and filed in accordance with the provisions of Section 6.1-48 of the Code of Virginia; (4) that in its opinion the public interest will be served by banking facilities in the community where the applicant is proposed to be; (5) that the applicant was formed for no other reason than a legitimate banking business; (6) that the moral fitness, financial responsibility and business qualifications of those named as officers and directors of the applicant are such as to command the confidence of the community in which it is proposed that the applicant be located; and (7) that its deposits are to be insured by the Federal Deposit Insurance Corporation.

THE COMMISSION is further of the opinion that the public interest will be served by permitting the surviving bank, Citizens Bank of Tazewell, Inc., to operate the main office and branch office heretofore authorized, following the merger. The merger, and the authority to operate the main

office and branch granted herein, will be effective upon the issuance by the Commission of a certificate of merger effecting the merger of Citizens Bank of Tazewell into Citizens Acquisition Subsidiary, Inc., and a certificate of amendment and restatement changing the name of Citizens Acquisition Subsidiary, Inc. to Citizens Bank of Tazewell, Inc.

ACCORDINGLY IT IS ORDERED:

That a certificate of authority be granted to Citizens Acquisition Subsidiary, Inc., and a certificate is hereby granted. And it is further ordered that, upon the merger of Citizens Bank of Tazewell into Citizens Acquisition Subsidiary, Inc. the surviving bank, re-named "Citizens Bank of Tazewell, Inc.", be authorized to operate at 643 East Riverside Drive, Tazewell, Tazewell County, Virginia, with a branch office at Railroad Avenue and Third Street, Richlands, Tazewell County, and such authority hereby is granted.

CASE NO. BAN19960201
MAY 29, 1996

APPLICATION OF
FCFT, INC.
Princeton, West Virginia

To acquire Citizens Bank of Tazewell pursuant to Chapter 15 of Title 6.1 of the Virginia Code

ORDER OF APPROVAL

FCFT, Inc., a bank holding company headquartered in Princeton, West Virginia, filed an application pursuant to Chapter 15 of Title 6.1 of the Code of Virginia to acquire the successor by merger of Citizens Acquisition Subsidiary, Inc. (an interim bank) and Citizens Bank of Tazewell, a Virginia bank headquartered in Tazewell, Tazewell County, Virginia. The application was referred to the Bureau of Financial Institutions for investigation. Notice of the application was published in the Bureau's Weekly Information Bulletin dated March 29, 1996. No objection to the proposed acquisition was received.

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

Therefore, the Commission hereby approves the application of FCFT, Inc. to acquire Citizens Bank of Tazewell. This matter shall be placed among the ended cases.

CASE NO. BAN19960202
MAY 9, 1996

APPLICATION OF
CARDINAL 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 Cardinal Bankshares Corporation, a Virginia corporation, and filed its application, as required by Virginia Code Section 6.1-383.1, to acquire 100 percent of the voting stock of The Bank of Floyd, Floyd, Virginia. Thereupon the application was referred to the Bureau of Financial Institutions.

Having considered the application and the report of the Bureau of Financial Institutions, the Commission is of the opinion and finds that there has been compliance with the prerequisites set forth in Virginia Code Section 6.1-383.1, and it finds further that no reasonable basis exists for taking any of the other actions permitted the Commission by the provisions of Section 6.1-83.2 of the Code.

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

CASE NO. BAN19960208
JUNE 17, 1996

APPLICATION OF
KENWOOD ASSOCIATES EMPLOYEE STOCK OWNERSHIP TRUST

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Kenwood Associates Employee Stock Ownership Trust, Calverton, Maryland, and filed its application, as required by Virginia Code Section 6.1-416.1, to acquire 25 percent or more of the voting shares of Kenwood Associates, Inc. Thereupon the application was referred to the Bureau of Financial Institutions for investigation.

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

CASE NO. BAN19960235
MAY 9, 1996

APPLICATION OF
STEPHEN Z. HOFF

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Stephen Z. Hoff, Alexandria, Virginia, and filed an application, as required by Virginia Code Section 6.1-416.1, to acquire 25 percent or more of the ownership of Brokers Commitment Corporation. Thereupon the application was referred to the Bureau of Financial Institutions for investigation.

Having considered the application and the report of investigation of the Bureau of Financial Institutions, the Commission is of the opinion and finds that there has been compliance with the prerequisites set forth in Virginia Code Section 6.1-416.1. Therefore, the Commission hereby approves the acquisition of 25 percent or more of the ownership of Brokers Commitment Corporation by Stephen Z. Hoff and orders that this matter be placed among the ended cases.

CASE NO. BAN19960245
MAY 9, 1996

APPLICATION OF
DOMINION CAPITAL, INC.

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Dominion Capital, Inc., Richmond, Virginia, and filed an application, as required by Virginia Code Section 6.1-416.1, to acquire 25 percent or more of the ownership of Saxon Mortgage, Inc. Thereupon the application was referred to the Bureau of Financial Institutions for investigation.

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

CASE NO. BAN19960266
JUNE 11, 1996

APPLICATION OF
JOHN T. PAPALOIZOS

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came John T. Papaloizos, Silver Spring, Maryland, and filed his application, as required by Virginia Code Section 6.1-416.1, to acquire 25 percent or more of the voting shares of Federal Capital Funding Corp. Thereupon the application was referred to the Bureau of Financial Institutions for investigation.

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

CASE NO. BAN19960305
JUNE 20, 1996

APPLICATION OF
COMMUNITY BANKSHARES INCORPORATED

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 Community Bankshares Incorporated, a Virginia corporation, and filed its application, as required by Virginia Code Section 6.1-383.1, to acquire 100 percent of the voting stock of Commerce Bank of Virginia, Richmond, Virginia. Thereupon the application was referred to the Bureau of Financial Institutions.

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

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

CASE NOS. BAN19960323 and BAN19960324
JUNE 13, 1996

APPLICATIONS OF
UNITED COMMUNITY BANKSHARES, INC.

Pursuant to Title 6.1, Chapter 13, Code of Virginia

ORDER GIVING NOTICE OF INTENT NOT TO DISAPPROVE THE ACQUISITION OF TWO BANKS

ON A FORMER DAY came United Community Bankshares, Inc., Franklin, Virginia and filed its applications, as required by Virginia Code Section 6.1-383.1, to acquire 100 percent of the voting shares of The Bank of Franklin, Franklin, Virginia and The Bank of Sussex and Surry, Wakefield, Virginia. Thereupon the applications were referred to the Bureau of Financial Institutions.

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

THEREFORE, the Commission hereby issues this notice of its intent not to disapprove the acquisition of 100 percent of the voting shares of The Bank of Franklin and The Bank of Sussex and Surry by United Community Bankshares, Inc. and orders that these matters be placed among the ended cases.

CASE NO. BAN19960330
JUNE 13, 1996

APPLICATION OF
FIRST VIRGINIA BANK-SHENANDOAH VALLEY

For a certificate of authority to do a banking and trust business following a merger with First Virginia Bank-Central and for authority to operate the offices of the merging banks

ON A FORMER DAY First Virginia Bank-Shenandoah Valley, which is proposed to be the surviving bank in a merger with First Virginia Bank-Central, applied to the Commission for a certificate of authority to do a banking and trust business following the merger and for authority to operate all the offices of the merging banks. At the time of the merger the surviving bank will change its name to "First Virginia Bank-Blue Ridge" and will designate as its main office an existing office of the applicant at 125 North Central Avenue, City of Staunton, Virginia. The application was referred to the Commissioner of Financial Institutions for investigation and report.

The Commission, having considered the application herein and the Bureau of Financial Institutions' report of investigation, is of the opinion that a certificate of authority to begin business as a bank and trust company should be issued to the surviving bank, and with respect to thereto the Commission finds: (1) that all of the provisions of law have been complied with; (2) that the capital stock of the surviving bank will be $10,330,000 and its surplus and reserve for operations will be no less than $28,894,000; (3) that the oaths of the directors have been taken and filed in accordance with the provisions of Section 6.1-48 of the Code of Virginia; (4) that the bank was formed for no other reason than a legitimate banking and trust business; (5) that the moral fitness, financial responsibility and business qualifications of those named as officers and directors of the bank are such as to command the confidence of the community in which it is proposed to be located; and (6) that the deposits of the bank are to be insured by the Federal Deposit Insurance Corporation.

THE COMMISSION is further of the opinion and finds that the public interest will be served by authorizing the surviving bank to engage in the banking and trust business and to operate all the currently-authorized offices of the merging banks. The merger, and the authority to operate offices granted herein, will be effective upon the issuance by the Clerk of a certificate of merger effecting the merger of First Virginia Bank-Central into First Virginia Bank-Shenandoah Valley, and of a certificate of amendment and restatement changing the name of First Virginia Bank-Shenandoah Valley to "First Virginia Bank-Blue Ridge."

Accordingly, IT IS ORDERED that a certificate of authority be granted to First Virginia Bank-Blue Ridge and a certificate hereby is granted. And IT IS FURTHER ORDERED that upon the merger of First Virginia Bank-Central into First Virginia Bank-Shenandoah Valley, the surviving bank, re-named "First Virginia Bank-Blue Ridge", is authorized to operate a main office at 125 North Central Avenue, City of Staunton, Virginia, and branches at all the previously-authorized office locations of the merging banks. (Attachment A is a list of authorized offices of First Virginia Bank-Shenandoah Valley and First Virginia Bank-Central).

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

CASE NO. BAN19960372
JULY 9, 1996

APPLICATION OF
MID-ATLANTIC COMMUNITY BANKGROUP, 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 Mid-Atlantic Community BankGroup, Inc. and filed its application, as required by Virginia Code Section 6.1-383.1, to acquire 100 percent of the voting shares of Peninsula Trust Bank, Incorporated. Thereupon the application was referred to the Bureau of Financial Institutions.

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

THEREFORE, the Commission hereby issues this notice of its intent not to disapprove the acquisition of 100 percent of the voting shares of Peninsula Trust Bank, Incorporated by Mid-Atlantic Community BankGroup, Inc., and orders that this matter be placed among the ended cases.

CASE NO. BAN19960377
JUNE 27, 1996

APPLICATION OF
GILBERT P. DIVELY

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Gilbert P. Dively, Winchester, Virginia, and filed his application, as required by Virginia Code Section 6.1-416.1, to acquire 25 percent or more of the voting shares of Business Advisory Systems, Inc. d/b/a Breckinridge Mortgage. Thereupon the application was referred to the Bureau of Financial Institutions for investigation.

Having considered the application and the report of investigation of the Bureau of Financial Institutions, the Commission is of the opinion and finds that there has been compliance with the prerequisites set forth in Virginia Code Section 6.1-416.1. Therefore, the Commission hereby approves the acquisition of 25 percent or more of the voting shares of Business Advisory Systems, Inc. d/b/a Breckinridge Mortgage by Gilbert P. Dively and orders that this matter be placed among the ended cases.

CASE NO. BAN19960378
JUNE 27, 1996

APPLICATION OF
CHARLES C. RYAN

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Charles C. Ryan, Winchester, Virginia, and filed his application, as required by Virginia Code Section 6.1-416.1, to acquire 25 percent or more of the voting shares of Business Advisory Systems, Inc. d/b/a Breckinridge Mortgage. Thereupon the application was referred to the Bureau of Financial Institutions for investigation.

Having considered the application and the report of investigation of the Bureau of Financial Institutions, the Commission is of the opinion and finds that there has been compliance with the prerequisites set forth in Virginia Code Section 6.1-416.1. Therefore, the Commission hereby approves the acquisition of 25 percent or more of the voting shares of Business Advisory Systems, Inc. d/b/a Breckinridge Mortgage by Charles C. Ryan and orders that this matter be placed among the ended cases.

CASE NO. BAN19960413
JULY 24, 1996

APPLICATION OF
MAINSTREET BANKGROUP INCORPORATED

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 MainStreet BankGroup Incorporated and filed its application, as required by Virginia Code Section 6.1-383.1, to acquire 100 percent of the voting shares of The First National Bank of Clifton Forge, Clifton Forge, Virginia. The acquisition is to be facilitated by the merger of The First National Bank of Clifton Forge into a nationally chartered interim institution under the title of The First National Bank of Clifton Forge and charter of the interim institution. Thereupon the application was referred to the Bureau of Financial Institutions.

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

THEREFORE, the Commission hereby issues this notice of its intent not to disapprove the acquisition of 100 percent of the voting shares of The First National Bank of Clifton Forge by MainStreet BankGroup Incorporated, and orders that this matter be placed among the ended cases.

CASE NOS. BAN19960414 and BAN19960415
JULY 24, 1996

APPLICATION OF
F & M BANK - HALLMARK

For a certificate of authority to do a banking and trust business following a merger with F&M Bank-Potomac and Fairfax Bank and Trust Company and for authority to operate the offices of the merging banks

ON A FORMER DAY F & M Bank-Hallmark, which is proposed to be the surviving bank in a merger with F&M Bank-Potomac and Fairfax Bank & Trust Company, applied to the Commission for a certificate of authority to do a banking and trust business following the merger and for authority to operate all the offices of the merging banks. At the time of the merger, the surviving bank will change its name to "F & M Bank-Northern Virginia" and will designate as its main office an existing office of Fairfax Bank & Trust Company at 4117 Chain Bridge Road, City of Fairfax, Virginia. The application was referred to the Commissioner of Financial Institutions for investigation and report.

The Commission, having considered the application herein and the Bureau of Financial Institutions' report of investigation, is of the opinion that a certificate of authority to begin business as a bank and trust company should be issued to the surviving bank, and with respect thereto the Commission finds: (1) that all of the provisions of law have been complied with; (2) that the capital stock of the surviving bank will be $12,183,770 and its surplus and reserve for operations will be no less than $27,017,994; (3) that the oaths of the directors have been taken and filed in accordance with the provisions of Section 6.1-48 of the Code of Virginia; (4) that the bank was formed for no other reason than a legitimate banking and trust business; (5) that the moral fitness, financial responsibility and business qualifications of those named as officers and directors of the bank are such as to command the confidence of the community in which it is proposed to be located; and (6) that the deposits of the bank are to be insured by the Federal Deposit Insurance Corporation.

THE COMMISSION is further of the opinion and finds that the public interest will be served by authorizing the surviving bank to engage in the banking and trust business and to operate all the currently-authorized offices of the merging banks. The merger, and the authority to operate offices granted herein, will be effective upon the issuance by the Clerk of a certificate of merger effecting the merger of F&M Bank-Potomac and Fairfax Bank & Trust Company into F & M Bank-Hallmark, and of a certificate of amendment and restatement changing the name of F & M Bank-Hallmark to "F & M Bank-Northern Virginia."

Accordingly, IT IS ORDERED that a certificate of authority be granted to F & M Bank-Northern Virginia and a certificate hereby is granted. And IT IS FURTHER ORDERED that upon the merger of F&M Bank-Potomac and Fairfax Bank & Trust Company into F & M Bank-Hallmark, the surviving bank, re-named "F & M Bank-Northern Virginia", is authorized to operate a main office at 4117 Chain Bridge Road, City of Fairfax, Virginia, and branches at all the previously-authorized office locations of the merging banks. (Attachment A is a list of authorized offices of F & M Bank-Hallmark, F&M Bank-Potomac and Fairfax Bank & Trust Company).

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

CASE NO. BAN19960434
AUGUST 7, 1996

APPLICATION OF
DAVID W. HOLLOPETER

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came David W. Hollopeter, Fairfax, Virginia, and filed his application, as required by Virginia Code Section 6.1-416.1, to acquire 25 percent or more of the voting shares of Intercoastal Mortgage Company. Thereupon the application was referred to the Bureau of Financial Institutions for investigation.

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

CASE NO. BAN19960486
AUGUST 7, 1996

APPLICATION OF
UNION 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 Union Bankshares Corporation and filed its application, as required by Virginia Code Section 6.1-383.1, to acquire 100 percent of the voting shares of King George State Bank, 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 6.1-383.1, and it finds further that no reasonable basis exists for taking any of the other actions permitted the Commission by the provisions of Section 6.1-383.2 of the Code.

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

CASE NO. BAN19960507
AUGUST 15, 1996

APPLICATION OF
CRESTAR BANK DC (in organization)

For a certificate of authority to do a banking and trust business upon the conversion of Crestar Bank, National Association

ORDER ISSUING A CERTIFICATE OF AUTHORITY

Crestar Bank DC has applied, pursuant to Virginia Code Sections 6.1-33 and 6.1-38, for a certificate of authority to do a banking and trust business as a state bank with its main office at 8245 Boone Boulevard, Vienna, Fairfax County, Virginia. Those sections provide for the issuance of such a certificate upon the conversion of a national banking association into a state-chartered bank. The application was referred to the Commissioner of Financial Institutions for investigation.

According to the report of the Commissioner, Crestar Bank DC has been incorporated as a Virginia corporation empowered by its certificate of incorporation to do a banking and trust business. The corporation was formed to be the successor of Crestar Bank, National Association, a national banking association having its main office at 8245 Boone Boulevard, Vienna, Fairfax County, Virginia. Crestar Bank, National Association is a subsidiary of Crestar Financial Corporation. The bank has assets of approximately $1.6 billion, and it operates twenty three branches at: (1) 1111 Connecticut Avenue, N.W., Washington, DC 20036; (2) 1225 Connecticut Avenue, N.W., Washington, DC 20036; (3) 1300 L Street, N.W., Washington, DC 20005; (4) 1340 Good Hope Road, S.E., Washington, DC 20009; (5) 1369 Connecticut Avenue, N.W., Washington, DC 20036; (6) 1445 New York Avenue, N.W., Washington, DC 20042; (7) 1571 Alabama Avenue, S.E., Washington, DC 20002; (8) 1700 K Street, N.W., Washington, DC 20006; (9) 1750 New York Avenue, N.W., Washington, DC 20006; (10) 1800 Columbia Road, N.W., Washington, DC 20009; (11) 1925 K Street, N.W., Washington, DC 20006; (12) 2 Massachusetts Avenue, N.W., Washington, DC 20001; (13) 2929 M Street, N.W., Washington, DC 20007; (14) 300 Pennsylvania Avenue, S.E., Washington, DC 20003; (15) 3301 New Mexico Avenue, N.W., Washington, DC 20016; (16) 3435 Connecticut Avenue, N.W., Washington, DC 20008; (17) 3440 Wisconsin Avenue, N.W., Washington, DC 20016; (18) 410 Rhode Island Avenue, N.W., Washington, DC 20002; (19) 445 11th Street, N.W., Washington, DC 20004; (20) 5000 Connecticut Avenue, N.W., Washington, DC 20015; (21) 5601 3rd Street, N.E., Washington, DC 20011; (22) 6422 Georgia Avenue, N.W., Washington, DC 20012; and (23) 965 L'Enfant Plaza North, S.W., Washington, DC 20024. The Commissioner reports that the requirements of Virginia Code Section 6.1-33 and the applicable requirements of Section 6.1-13 have been fulfilled and recommends approval of the application.

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

THEREFORE, IT IS ORDERED that a certificate of authority to do a banking and trust business as a state bank, with the main office and branches set forth above, be issued to Crestar Bank DC, and such a certificate hereby is issued, contingent upon the following conditions being met: (1) the applicant shall obtain insurance of its deposit accounts by the Federal Deposit Insurance Corporation, (2) the capital stock of the applicant shall be $5,258,000 and its surplus and reserve for operations will amount to not less than $109,266,000 and (3) the applicant shall notify the Bureau of the date on which it will commence business as a state bank. In the event the applicant does not fulfill the foregoing conditions, the authority granted herein will expire six months from this date, unless the six month period is extended by order of the Commission.

CASE NO. BAN19960508
AUGUST 16, 1996

APPLICATION OF
SUMMIT BANKSHARES, INC.

Pursuant to Title 6.1, Chapter 13, Code of Virginia

ORDER GIVING NOTICE OF INTENT NOT TO DISAPPROVE AN ACQUISITION

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

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

THEREFORE, the Commission hereby issues this notice of its intent not to disapprove the acquisition of 100 percent of the voting shares of Bank of Rockbridge by Summit Bankshares, Inc., and orders that this matter be placed among the ended cases.

CASE NO. BAN19960509
SEPTEMBER 11, 1996

APPLICATION OF
BH ACQUISITION SUBSIDIARY, INC.

For a certificate of authority to begin business as a bank at 7021 Mechanicsville Turnpike, Mechanicsville, Hanover County, Virginia and to operate five branch offices upon the merger of Hanover Bank into BH Acquisition Subsidiary, Inc., under the charter of BH Acquisition Subsidiary, Inc. and title of Hanover Bank.

ON A FORMER DAY BH Acquisition Subsidiary, Inc., an interim bank, applied to the Commission for a certificate of authority to begin business as a bank at 7021 Mechanicsville Turnpike, Mechanicsville, Hanover County, Virginia, and for authority to operate the above main office and five branch offices of Hanover Bank at the following locations: (1) 300 England Street, Ashland, Hanover County, Virginia; (2) 8071 Mechanicsville Turnpike, Mechanicsville, Hanover County, Virginia; (3) 8001 West Broad Street, Henrico County, Virginia; (4) 11400 Nuckols Road, Glen Allen, Henrico County, Virginia; and (5) the Southeast corner of the intersection of Sliding Hill Road and Totopotomy Trail, Hanover County, Virginia as branch offices. (The last two offices listed are authorized, but unopened branches.) The application, with supporting documents and information, were referred to the Commissioner of Financial Institutions for investigation and report.

The Commissioner has submitted his report of investigation which states that the authorizations sought herein are steps to facilitate the proposed acquisition of Hanover Bank by MainStreet BankGroup Incorporated pursuant to Chapter 13 of Title 6.1 of the Code of Virginia: Hanover Bank will merge into BH Acquisition Subsidiary, Inc. and the resulting bank will be re-named "Hanover Bank".

AND THE COMMISSION, having considered the application herein and the recommendation of the Commissioner of Financial Institutions, is of the opinion that a certificate of authority to begin business as a bank should be issued to BH Acquisition Subsidiary, Inc. The Commission finds: (1) that all the provisions of law have been complied with; (2) that the stock of the interim bank has been subscribed, and that the capital of the resulting bank will be an amount deemed sufficient for successful operation, i.e., capital stock of $2,000,000 and surplus and a reserve for operations of not less than $6,755,000; (3) that the oaths of all directors have been taken and filed in accordance with the provisions of Section 6.1-48 of the Code of Virginia; (4) that in its opinion, the public interest will be served by having banking facilities of the applicant in the community where it proposes to be; (5) that the applicant was formed for no other reason than a legitimate banking business; (6) that the moral fitness, financial responsibility and business qualifications of those named as officers and directors of the applicant are such as to command the confidence of the community in which the applicant will be located; and (7) that its deposits are to be insured by the Federal Deposit Insurance Corporation.

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

ACCORDINGLY IT IS ORDERED:

That a certificate of authority be granted to BH Acquisition Subsidiary, Inc., and a certificate is hereby granted. And it is further ordered that, upon the merger of Hanover Bank into BH Acquisition Subsidiary, Inc., the resulting bank, re-named "Hanover Bank", be authorized to operate at 7021 Mechanicsville Turnpike, Mechanicsville, Hanover County, Virginia, with the branch offices listed above, and such authority hereby is granted. The authority granted herein shall expire if not exercised within one year.

CASE NO. BAN19960510
SEPTEMBER 11, 1996

APPLICATION OF
MAINSTREET BANKGROUP INCORPORATED

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 MainStreet BankGroup Incorporated and filed its application, as required by Virginia Code Section 6.1-383.1, to acquire 100 percent of the voting shares of Hanover Bank. Thereupon the application was referred to the Bureau of Financial Institutions.

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

THEREFORE, the Commission hereby issues this notice of its intent not to disapprove the acquisition of 100 percent of the voting shares of Hanover Bank by MainStreet BankGroup Incorporated. This matter shall be placed among the ended cases.

CASE NO. BAN19960516
AUGUST 12, 1996

APPLICATION OF
F & M NATIONAL CORPORATION

Pursuant to Section 6.1-406 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came F & M National Corporation and filed its notice, as required by the Virginia Code Section 6.1-406, to acquire Allegiance Bank, N.A., Bethesda, 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 Allegiance Bank, N.A. by F & M National Corporation. This matter shall be placed among the ended cases.

CASE NO. BAN19960530
AUGUST 26, 1996

APPLICATION OF
CHARLES C. RYAN, SR.

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Charles C. Ryan, Sr., Front Royal, Virginia, and filed his application, as required by Virginia Code Section 6.1-416.1, to acquire 25 percent or more of the voting shares of Business Advisory Systems, Inc. d/b/a Breckinridge Mortgage. Thereupon the application was referred to the Bureau of Financial Institutions for investigation.

Having considered the application and the report of investigation of the Bureau of Financial Institutions, the Commission is of the opinion and finds that there has been compliance with the prerequisites set forth in Virginia Code Section 6.1-416.1. Therefore, the Commission hereby approves the acquisition of 25 percent or more of the voting shares of Business Advisory Systems, Inc. d/b/a Breckinridge Mortgage by Charles C. Ryan, Sr. and orders that this matter be placed among the ended cases.

CASE NOS. BAN19960569 and BAN19960570
OCTOBER 16, 1996

APPLICATIONS OF
CRESTAR BANK DC

To merge with and operate the branches of Crestar Bank MD; and for authority to do business following a merger with Crestar Bank

ORDER APPROVING AN INTERSTATE MERGER AND GRANTING A CERTIFICATE OF AUTHORITY

Crestar Bank DC has applied pursuant to Virginia Code § 6.1-44.17 for approval of a proposed merger with Crestar Bank MD and the operation of branches outside Virginia by the resulting bank. Crestar Bank DC also has applied for a certificate of authority, as required by Virginia Code § 6.1-44, to do a banking and trust business following a proposed merger with Crestar Bank. Crestar Bank DC will be the resulting bank in these mergers. The applications were referred to the Bureau of Financial Institutions for investigation.

Crestar Bank DC was authorized August 15, 1996, to begin business as the successor to Crestar Bank, National Association, upon its conversion to a state charter. Crestar Bank MD is a state-chartered bank based in Bethesda.* Crestar Bank is based in Richmond. All three banks are wholly-owned subsidiaries of Crestar Financial Corporation, which has determined to consolidate the banks. It is proposed that the resulting bank have its main office at 8245 Boone Boulevard, Vienna, Fairfax, County, Virginia, and that it operate as branches all the currently-authorized offices of the three merging banks. In conjunction with the merger, the resulting bank will change its name to "Crestar Bank," and will operate thereafter under that title.

Interstate mergers involving Virginia banks are authorized by Article 5.2 of the Banking Act (Chapter 2, Title 6.1 of the Code of Virginia). The laws of Maryland permit Maryland banks to merge with Virginia banks. Upon consideration of the interstate merger application and the report of the Bureau's investigation, the Commission finds that (1) the proposed merger of Crestar Bank MD into Crestar Bank DC will not be detrimental to the safety and soundness of the applicant and will be in the public interest, and (2) the officers and directors of the resulting bank have the qualifications prescribed by law. Having considered the second application and the report of the Bureau, the Commission is of the opinion that the certificate of authority required by Code § 6.1-44 should be issued, and finds that (1) all provisions of law have been complied with; (2) the capital stock of the resulting bank will be $200,006,500 and its surplus and reserve for operations will be not less than $1,233,276,500 - amounts deemed sufficient to warrant successful operation; (3) the oaths of directors have been taken and filed in accordance with Virginia Code § 6.1-48; (4) the bank is formed to conduct a legitimate banking business; (5) the moral fitness, financial responsibility and business qualifications of those named as officers and directors of the resulting bank are such as to command the confidence of the communities in which it is proposed to be located; and (6) the deposits of the resulting bank will be insured by the Federal Deposit Insurance Corporation. The Commission also is of the opinion and finds that the public interest will be served by the continued operation, by the resulting bank, of the currently-authorized offices and facilities of Crestar Bank and Crestar Bank MD - as well as those of Crestar Bank DC. (A list of authorized offices of Crestar Bank and Crestar Bank MD is attached.) Accordingly, IT IS ORDERED that the application of Crestar Bank DC to merge with Crestar Bank MD is approved, provided (1) the applicant complies with applicable requirements of the Virginia Stock Corporation Act and receives all other necessary regulatory approvals, and (2) the merger is accomplished within one year. And it is ORDERED that a certificate of authority be granted, and a certificate of authority hereby is GRANTED to Crestar Bank DC, authorizing it to do a banking and trust business at 8245 Boone Boulevard, Vienna, Fairfax County, Virginia and at all other heretofore-authorized offices of the merging banks. The authority granted herein shall be effective upon the issuance of a certificate of merger.

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

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* Prior to the effective date of the mergers proposed herein, Crestar Bank, FSB, a federal savings institution headquartered in Baltimore, will have been merged into Crestar Bank MD.

CASE NO. BAN19960600
AUGUST 26, 1996

APPLICATION OF
AAMES FINANCIAL CORPORATION

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Aames Financial Corporation, a California corporation, and filed its application, as required by Virginia Code Section 6.1-416.1, to acquire 25 percent or more of the voting shares of One Stop Mortgage, Inc.. Thereupon the application was referred to the Bureau of Financial Institutions for investigation.

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

CASE NO. BAN19960633
OCTOBER 21, 1996

APPLICATION OF
FIRST VIRGINIA BANK-COLONIAL

For a certificate of authority to: (1) do a banking and trust business upon the merger of First Virginia Bank-South Hill into First Virginia Bank-Colonial under the charter and title of First Virginia Bank-Colonial; and (2) operate the former main office and branches of the now First Virginia Bank-South Hill

ON A FORMER DAY came First Virginia Bank-Colonial, the surviving bank in a proposed merger with First Virginia Bank-South Hill, and subject to the issuance by the Commission of a certificate of merger of said banks, applied to the Commission for (1) a certificate of authority to do a banking and trust business at 700 E. Main Street, City of Richmond, Virginia, and elsewhere in this State as it may now or hereafter be authorized by law; and (2) authority to operate the main office and branches of the now First Virginia Bank-South Hill at the following locations: (1) 111 East Danville Street, South Hill, Mecklenburg County, Virginia; (2) State Route 903 and 751, Bracey, Mecklenburg County, Virginia; and (3) Town Square Shopping Center, 725 East Atlantic Street, South Hill, Mecklenburg 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 First Virginia Bank-South Hill into First Virginia Bank-Colonial, 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 $30,625,000 and its surplus and reserve for operations will amount to not less than $42,266,000; (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, the public interest will be served by authorizing the applicant, First Virginia Bank-Colonial, the surviving bank in such merger, to operate the main office and branches of the now First Virginia Bank-South Hill.

IT IS THEREFORE, ORDERED:

That effective upon the issuance by the Commission of a certificate of merger to First Virginia Bank-Colonial, the surviving bank in a proposed merger with First Virginia Bank-South Hill, a certificate be, and is hereby, granted to First Virginia Bank-Colonial authorizing it to do a banking and trust business at 700 E. Main Street, City of Richmond, Virginia and elsewhere in this State as authorized by law and to operate the main office and branches of the now First Virginia Bank-South Hill.

CASE NO. BAN19960643
NOVEMBER 5, 1996

APPLICATION OF
HIGHLAND COUNTY BANKSHARES, INC.

Pursuant to Title 6.1, Chapter 13, Code of Virginia

ORDER GIVING NOTICE OF INTENT NOT TO DISAPPROVE AN ACQUISITION

ON A FORMER DAY came Highland County Bankshares, Inc. and filed its application, as required by Virginia Code Section 6.1-383.1, to acquire 100 percent of the voting shares of First and Citizens Bank. Thereupon the application was referred to the Bureau of Financial Institutions.

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

THEREFORE, the Commission hereby issues this notice of its intent not to disapprove the acquisition of 100 percent of the voting shares of First and Citizens Bank by Highland County Bankshares, Inc., and orders that this matter be placed among the ended cases.

CASE NO. BAN19960695
OCTOBER 16, 1996

APPLICATION OF
H & R BLOCK, INC.

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came H & R Block, Inc., Kansas City, Missouri, and filed its application, as required by Virginia Code Section 6.1-416.1, to acquire 25 percent or more of the voting shares of Block Mortgage Company, L.L.C. Thereupon the application was referred to the Bureau of Financial Institutions for investigation.

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

CASE NO. BAN19960717
NOVEMBER 19, 1996

APPLICATION OF
VIRGINIA 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 Virginia Financial Corporation and filed its application, as required by Virginia Code Section 6.1-383.1, to acquire 100 percent of the voting shares of Planters Bank & Trust Company of Virginia. Thereupon the application was referred to the Bureau of Financial Institutions.

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

THEREFORE, the Commission hereby issues this notice of its intent not to disapprove the acquisition of 100 percent of the voting shares of Planters Bank & Trust Company of Virginia by Virginia Financial Corporation, and orders that this matter be placed among the ended cases.

CASE NO. BAN19960730
NOVEMBER 4, 1996

APPLICATION OF
CRESTAR FINANCIAL CORPORATION

Pursuant to Section 6.1-406 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Crestar Financial Corporation and filed its notice, as required by the Virginia Code Section 6.1-406, to acquire Citizens Bancorp, Laurel, 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 Citizens Bancorp by Crestar Financial Corporation. This matter shall be placed among the ended cases.

CASE NO. BAN19960808
DECEMBER 23, 1996

APPLICATION OF
SOUTHERN NATIONAL CORPORATION
Winston-Salem, North Carolina

To acquire Fidelity Financial Bankshares Corporation

ORDER OF APPROVAL

ON A FORMER DAY came Southern National Corporation ("SNC") and filed an application pursuant to Article 11 of Chapter 3.01 of Title 6.1 of the Code of Virginia (Va. Code Section 6.1-194.96, ff.) to acquire Fidelity Financial Bankshares Corporation ("FFBC"). SNC is an out-of-state savings institution holding company within the meaning of Virginia Code Section 6.1-194.96. FFBC is a savings institution holding company, the parent of Fidelity Federal Savings Bank, a Virginia savings institution headquartered in Richmond, 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 November 1, 1996. No objection to the proposed acquisition was received.

Having considered the relevant statutes of Virginia and North Carolina and the report of the Bureau's investigation herein, the Commission is of the opinion and finds that the statutory prerequisites to approval of the application set forth in Code Section 6.1-194.97 are met, namely: (1) the laws of North Carolina permit Virginia savings institution holding companies meeting the criteria of Article 11 to acquire savings institutions or savings institution holding companies in that state; (2) the laws of North Carolina would permit FFBC to acquire SNC; and (3) Fidelity Federal Savings Bank has been in existence and continuously operating for more than two years.

Furthermore, the Commission determines, pursuant to Code Section 6.1-194.99, that (1) the proposed acquisition would not be detrimental to the safety or soundness of the applicant or FFBC; (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 Fidelity Federal Savings Bank; and (4) the acquisition is in the public interest. Therefore, the Commission hereby approves the acquisition of Fidelity Financial Bankshares Corporation by Southern National Corporation.

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

CASE NO. BAN19960823
DECEMBER 30, 1996

APPLICATION OF
AMRESCO RESIDENTIAL MORTGAGE CORPORATION

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came AMRESCO Residential Mortgage Corporation, Dallas, Texas, and filed its application, as required by Virginia Code Section 6.1-416.1, to acquire 25 percent or more of the voting shares of Express Funding, Inc. Thereupon the application was referred to the Bureau of Financial Institutions for investigation.

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

CASE NOS. BFI940653, BFI950038, and BFI950148 TO FEBRUARY 20, 1996, NUNC PRO TUNC

APPLICATION OF
E. JACQUELINE GILLEY

To acquire Mortgage Advantage Corporation

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

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

ORDER SUSPENDING LICENSE

On February 20, 1996, these cases came on for hearing before the Commission. The Staff appeared by its counsel. Applicant E. Jacqueline Gilley ("Gilley") did not appear personally, but Michael J. Gartlan ("Gartlan") appeared as counsel for the Applicant and the Defendant, Mortgage Advantage Corporation. Gartlan renewed his motion that the cases be continued on account of Gilley's medical condition, but the Commission ruled that the Staff would be permitted to present its case in order to protect the public and for the convenience of witnesses summoned by Staff counsel.

The Commission proceeded to hear the testimony of witnesses for the Staff, which witnesses were subject to cross examination, and documents were received in evidence. Neither the Applicant nor the Defendant offered the testimony of any witness.

Upon consideration of the evidence and argument of counsel,

IT IS ORDERED THAT:

(1) Final decision on the application of Gilley to acquire Mortgage Advantage Corporation, and on the revocation of the mortgage broker license of Mortgage Advantage Corporation, is reserved.

(2) The mortgage broker license of Mortgage Advantage Corporation is suspended as of 5:00 p.m. on February 20, 1996, and until 5:00 p.m. March 21, 1996 ("the suspension period"). Mortgage Advantage Corporation shall accept no further application from any individual seeking a "mortgage loan," as defined in Virginia Code § 6.1-409; however, Mortgage Advantage Corporation may perform all acts reasonable or necessary to assist in effecting the closing of mortgage loans previously arranged for persons named on the list attached to this order and marked Exhibit A.

(3) The Applicant and Defendant shall, before the end of the suspension period, arrange a date and time to appear before the Commission to present their evidence, if they wish to be heard. If the Applicant and Defendant fail to so arrange a hearing, the Commission will enter a final order or orders in these cases without further notice or hearing. If the Applicant and Defendant do timely arrange a hearing, the suspension period shall continue until hearing and final decision of these cases.

(4) These cases are continued on the Commission's docket, and the Commission retains jurisdiction of the cases for all purposes.

NOTE: A copy of Exhibit A entitled "Mortgage Advantage Corporation Loans in the Pipeline as of 2/20/96 @ 5.p.m." is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NOS. BFI940653, BFI950038, and BFI950148
MAY 22, 1996

APPLICATION OF
E. JACQUELINE GILLEY

To acquire Mortgage Advantage Corporation

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

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

DISMISSAL AND SURRENDER ORDER

ON THIS DAY these cases came on for hearing before the Commission. Staff counsel represented to the Commission that counsel for the Defendant and Applicant had communicated to him that they did not intend to go forward with a hearing in these cases, and that the Defendant would surrender its mortgage broker license, and that the Applicant would withdraw her application for approval of her acquisition of the stock of the Defendant. Accordingly,

IT IS ORDERED THAT:

(1) The Defendant, Mortgage Advantage Corporation, shall surrender its mortgage broker license forthwith in writing to, and deliver said license to, the Bureau of Financial Institutions.

(2) The Applicant, E. Jacqueline Gilley, shall withdraw forthwith her application for approval of her acquisition of the stock of Mortgage Advantage Corporation by writing sent to the Bureau of Financial Institutions.

(3) These cases are dismissed from the docket, and the papers therein shall be placed among the ended cases.

CASE NO. BFI960001
JANUARY 5, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
EQUITY ONE CONSUMER DISCOUNT COMPANY, INC.,
Defendant

SETTLEMENT ORDER

ON A FORMER DAY, the Staff reported to the Commission that the Defendant is licensed to engage in business under Chapter 6 of Title 6.1 of the Virginia Code; that during an examination of its Martinsville, Virginia office by Bureau of Financial Institutions examiners, it was found that the Defendant sold personal property insurance to numerous borrowers without having obtained the prior authorization required by Virginia Code § 6.1-267; that upon being informed that the Commissioner of Financial Institutions intended to recommend the imposition of a fine therefor, the Defendant offered to settle this case by payment of a fine in the sum of ten thousand dollars ($10,000), tendered said sum to the Commonwealth of Virginia, and waived its right to a hearing in the case; and the Commissioner recommended that the Commission accept Defendant's offer of settlement pursuant to authority granted under Virginia Code § 12.1-15.

ACCORDINGLY, IT IS ORDERED THAT:

(1) Defendant's offer in settlement of this case be, and it is hereby, accepted.

(2) This case be, and is hereby dismissed.

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

CASE NO. BFI960002
JANUARY 5, 1996

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

SETTLEMENT ORDER

ON A FORMER DAY, the Staff reported to the Commission that the Defendant is licensed to engage in business under Chapter 16 of Title 6.1 of the Virginia Code; that during an examination by Bureau of Financial Institutions examiners, it was found that the Defendant engaged in mortgage lending in an office in Martinsville, Virginia without the prior approval required by Virginia Code § 6.1-416, and had violated various provisions of Chapter 16 of Title 6.1 of the Virginia Code and other laws applicable to the conduct of its business; that upon being informed that the Commissioner of Financial Institutions intended to recommend the imposition of a fine therefor, the Defendant offered to settle this case by payment of a fine in the sum of fifteen thousand dollars ($15,000), tendered said sum to the Commonwealth of Virginia, and waived its right to a hearing in the case; and the Commissioner recommended that the Commission accept Defendant's offer of settlement pursuant to authority granted under Virginia Code § 12.1-15.

ACCORDINGLY, IT IS ORDERED THAT:

(1) Defendant's offer in settlement of this case be, and it is hereby, accepted.

(2) This case be, and is hereby dismissed.

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

CASE NO. BFI960005
MARCH 8, 1996

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

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant, Medallion Mortgage 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 December 31, 1995; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on January 17, 1996, that he would recommend that its license be revoked on February 19, 1996 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 February 2, 1996; 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 Medallion Mortgage Company to engage in business as a mortgage lender and broker be, and it is hereby, revoked.

CASE NO. BFI960009
MAY 2, 1996

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

ORDER REVOKING LICENSE

ON A FORMER DAY the Commissioner of Financial Institutions reported to the Commission that the Defendant, Ace 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 28, 1996; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on March 12, 1996 that he would recommend that its license be revoked unless a new bond was filed by April 18, 1996, 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 27, 1996; 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 Ace Mortgage Corporation to engage in business as a mortgage broker be, and it is hereby, revoked.

CASE NO. BFI960014
MAY 31, 1996

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

SETTLEMENT ORDER

ON A FORMER DAY, the Staff reported to the Commission that the Defendant is licensed to engage in business under Chapter 6 of Title 6.1 of the Virginia Code; that during an examination of its Fredericksburg, Virginia office by Bureau of Financial Institutions examiners, it was found that the Defendant had violated certain provisions of Chapter 6 of Title 6.1 of the Virginia Code in the conduct of its licensed business, and that Banc One Consumer Discount Company, an affiliate of the Defendant engaged in mortgage lending in that office, had violated certain laws applicable to the conduct of its business; that upon being informed that the Commissioner of Financial Institutions intended to recommend the imposition of a fine therefor, the Defendant offered to settle this case by payment of the sum of fifteen thousand dollars ($15,000), tendered said sum to the Commonwealth of Virginia, and waived its right to a hearing in the case; and the Commissioner recommended that the Commission accept Defendant's offer of settlement pursuant to authority granted under Virginia Code § 12.1-15. Accordingly,

IT IS ORDERED THAT:

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

(2) This case is dismissed.

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

CASE NO. BFI960016
MAY 31, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
AMERICAN FUNDING & INVESTMENT CORPORATION,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Virginia Code; that the Defendant failed to file its annual report due March 25, 1996, as required by Virginia Code § 6.1-418; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 24, 1996, that he would recommend that its license be revoked unless the annual report was filed by May 16, 1996, and that a written request for hearing was required to be filed in the Office of the Clerk on or before May 9, 1996; and that no annual report, or written request for hearing, was timely filed by the Defendant.

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

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

CASE NO. BFI960023
MAY 31, 1996

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

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Virginia Code; that the Defendant failed to file its annual report due March 25, 1996, as required by Virginia Code § 6.1-418; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 24, 1996, that he would recommend that its license be revoked unless the annual report was filed by May 16, 1996, and that a written request for hearing was required to be filed in the Office of the Clerk on or before May 9, 1996; and that no annual report, or written request for hearing, was timely filed by the Defendant.

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

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

CASE NO. BFI960029
MAY 31, 1996

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

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Virginia Code; that the Defendant failed to file its annual report due March 25, 1996, as required by Virginia Code § 6.1-418; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 24, 1996, that he would recommend that its license be revoked unless the annual report was filed by May 16, 1996, and that a written request for hearing was required to be filed in the Office of the Clerk on or before May 9, 1996; and that no annual report, or written request for hearing, was timely filed by the Defendant.

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

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

CASE NO. BFI960041
MAY 31, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
LIBRA INVESTMENTS LIMITED,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Virginia Code; that the Defendant failed to file its annual report due March 25, 1996, as required by Virginia Code § 6.1-418; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 24, 1996, that he would recommend that its license be revoked unless the annual report was filed by May 16, 1996, and that a written request for hearing was required to be filed in the Office of the Clerk on or before May 9, 1996; and that no annual report, or written request for hearing, was timely filed by the Defendant.

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

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

CASE NO. BFI960042
MAY 31, 1996

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

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Virginia Code; that the Defendant failed to file its annual report due March 25, 1996, as required by Virginia Code § 6.1-418; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 24, 1996, that he would recommend that its license be revoked unless the annual report was filed by May 16, 1996, and that a written request for hearing was required to be filed in the Office of the Clerk on or before May 9, 1996; and that no annual report, or written request for hearing, was timely filed by the Defendant.

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

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

CASE NO. BFI960053
MAY 31, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
TELNET CAPITAL, INC.,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Virginia Code; that the Defendant failed to file its annual report due March 25, 1996, as required by Virginia Code § 6.1-418; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 24, 1996, that he would recommend that its license be revoked unless the annual report was filed by May 16, 1996, and that a written request for hearing was required to be filed in the Office of the Clerk on or before May 9, 1996; and that no annual report, or written request for hearing, was timely filed by the Defendant.

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

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

CASE NO. BFI960063
JUNE 17, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
GARY W. BROWNING, t/a MAXIMUM FUNDING,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY the Commissioner of Financial Institutions reported to the Commission that the Defendant, Gary W. Browning t/a Maximum Funding, 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 15, 1996; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 19, 1996, that he would recommend that the Defendant's license be revoked unless a new bond was filed by May 17, 1996, 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 6, 1996; 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 Gary W. Browning t/a Maximum Funding to engage in business as a mortgage broker be, and it is hereby, revoked.

CASE NO. BFI960068
JUNE 27, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of proposed amendment of a regulation relating to surety bonds of money order sellers and money transmitters

ORDER ADOPTING AMENDMENT TO A REGULATION

By order herein dated May 20, 1996, the Commission directed that notice be given of proposed amendment of Chapter 120 of Title 10 of the Virginia Administrative Code, entitled "Surety Bond Required of Money Order Sellers and Money Transmitters." Notice of the proposed amendment was published in the Virginia Register on June 10, 1996, and was also given to all licensees under Chapter 12 of Title 6.1 of the Virginia Code. Interested parties were afforded an opportunity to file written comments in favor of or against the proposal, and written requests for a hearing, on or before June 19, 1996, and a hearing was set at 2:00 p.m. on June 27, 1996, before the Commission.

No written comments or written requests for hearing were filed. The hearing was convened before the Commission on June 27, 1996. No appearance was made on behalf of any licensed money order seller or money transmitter, and no public witness appeared at the hearing. The proposed amendment permits money order seller and money transmitter licensees to provide security under Virginia Code § 6.1-372 by means of the deposit of cash or certain securities with a depository institution pursuant to an agreement approved by the Commissioner of Financial Institutions.

The Commission, having considered the amendment, concludes that it fulfills the "alternate security device" provisions of Virginia Code § 6.1-372, and properly protects the interests of purchasers of money orders and money transmission services in Virginia. The Commission is, therefore, of the opinion that the amendment should be adopted.

THEREFORE, IT IS ORDERED THAT:

(1) The amended regulation entitled "Security Required of Money Order Sellers and Money Transmitters," attached hereto, is adopted effective July 1, 1996.

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

(3) Copies of the amended regulation be sent by the Bureau of Financial Institutions to all licensees, and current applicants for licenses, under Chapter 12 of Title 6.1 of the Virginia Code.

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

NOTE: A copy of the attachment entitled "Security Required of Money Order Sellers and Money Transmitters" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO BFI960069
AUGUST 20, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
AVCO MORTGAGE & ACCEPTANCE, INC.,
Defendant

SETTLEMENT ORDER

ON A FORMER DAY, the Staff reported to the Commission that the Defendant is licensed to engage in business under Chapter 16 of Title 6.1 of the Virginia Code; that during an examination of its Roanoke, Virginia office by Bureau of Financial Institutions examiners, it was found that the Defendant had violated certain laws applicable to the conduct of its licensed business; that upon being informed that the Commissioner of Financial Institutions intended to recommend license suspension and the imposition of a fine therefor, the Defendant offered to settle this case by payment of the sum of fifty thousand dollars ($50,000), tendered said sum to the Commonwealth of Virginia, and waived its right to a hearing in the case; and the Commissioner recommended that the Commission accept Defendant's offer of settlement pursuant to authority granted under Virginia Code § 12.1-15. Accordingly,

IT IS ORDERED THAT:

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

(2) This case is dismissed.

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

CASE NO. BFI960070
AUGUST 20, 1996

Ex Parte: In the matter of
EQUITY ONE CONSUMER DISCOUNT COMPANY, INC.

SURRENDER ORDER

ON A FORMER DAY the Bureau of Financial Institutions ("the Bureau"), by counsel, informed the Commission that Equity One Consumer Discount Company, Inc. ("Equity One") is a licensee under the Consumer Finance Act, Virginia Code §§ 6.1-244 et seq. ("the Act"), and that Equity One has surrendered the consumer finance license for its office located on Midlothian Turnpike in Richmond, Virginia. Upon consideration whereof,

IT IS ORDERED THAT:

(1) Equity One shall continue to be subject to the provisions of the Act with respect to loans previously made thereunder until such time as it no longer has any interest in any such loan or until the next examination following payment in full of the last of such loans, whichever is later.

(2) Equity One shall maintain the records relating to such loans accessible to examination by Bureau personnel during the aforementioned time period.

CASE NO. BFI960071
OCTOBER 7, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
BEARD DEVELOPMENT CORP., t/a AMERICA'S HOME MORTGAGE CO.,
Defendant

SETTLEMENT ORDER

ON A FORMER DAY, the Staff reported to the Commission that the Defendant is licensed to engage in business under Chapter 16 of Title 6.1 of the Code of Virginia; that during examinations of its offices by Bureau of Financial Institutions examiners, it was found that the Defendant had violated certain laws and regulations applicable to the conduct of its licensed business; that upon being informed that the Commissioner of Financial Institutions intended to recommend the imposition of a fine therefor, the Defendant offered to settle this matter, without making any admissions, by payment of the sum of Ten Thousand Dollars ($10,000.00), tendered said sum to the Commonwealth of Virginia, and waived its right to a hearing; and the Commissioner recommended that the Commission accept Defendant's offer of settlement pursuant to authority granted under Virginia Code § 12.1-15. Accordingly,

IT IS ORDERED THAT:

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

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

CASE NO. BFI960072
SEPTEMBER 26, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of amending the rules governing open-end credit and mortgage lending in offices licensed under the Consumer Finance Act

ORDER AMENDING REGULATIONS

By Order dated August 8, 1996, the Commission directed that notice be given of certain proposed amendments to its "Rules Governing Open-End Credit Business in Licensed Consumer Finance Offices" (10 VAC 5-60-40) and "Rules Governing Real Estate Mortgage Business in Licensed Consumer Finance Offices" (10 VAC 5-60-50). The amendments, proposed by the Bureau of Financial Institutions (the "Bureau"), eliminated in each set of rules a prohibition against converting an open-end credit balance or a balance due on a mortgage loan to a loan made under the Consumer Finance Act ("the Act"), Chapter 6 (§ 6.1-244, et seq.) of Title 6.1 of the Code of Virginia, or including any such balance in a loan made under the Act.

Notice of the proposed amendments was duly published September 2, 1996, in the Virginia Register and was sent by the Bureau to all licensees under the Act, the Virginia Financial Services Association, the Virginia Citizens Consumer Council, the Virginia Poverty Law Center, and the Office of the Attorney General, Division of Consumer Counsel. One written comment was received prior to the September 24, 1996 deadline; the Virginia Financial Services Association submitted a comment in support of the proposed amendments. No request for a hearing was filed.

NOW THE COMMISSION, having considered the proposed amendments and the submission in this case, concludes that the regulations should be amended as proposed.

THEREFORE, IT IS ORDERED THAT:

(1) The regulations, as amended, 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, are adopted. The regulations, as adopted, shall be transmitted for publication in the Virginia Register and shall be effective upon their being filed with the Registrar of Regulations.

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

NOTE: A copy of Attachment A entitled "Rules Governing Open-End Credit Business in Licensed Consumer Finance Offices" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CLERK'S OFFICE

CASE NO. CLK960130
APRIL 26, 1996

PETITION OF
TAZEWELL COUNTY PUBLIC SERVICE AUTHORITY

ORDER OF REVOCATION

On Friday, March 8, 1996, the Tazewell County Public Service Authority ("Authority") submitted to the Commission's Clerk's Office by facsimile telecopier a Petition for Rehearing pursuant to Va. Code § 13.1-614. The original petition was received in the Clerk's Office on Monday, March 11, 1996.

The relief sought by the Authority is for the Commission to rehear the certificates of dissolution and termination of corporate existence which were issued by orders dated March 1, 1996, in respect of Pocahontas Water Works, Inc. ("Pocahontas"). In support of this relief, the petition states that the Circuit Court of McDowell County, West Virginia appointed the Authority co-receiver of Pocahontas on October 24, 1995, and, consequently, after that date no one other than the co-receivers had the authority to request the Commission to dissolve and terminate the corporate existence of Pocahontas.

According to the Commission's records, Pocahontas was incorporated as a public service company under the Virginia Stock Corporation Act on January 6, 1958. Articles of dissolution and articles of termination of corporate existence of Pocahontas were filed on March 1, 1996. The articles of dissolution were executed in the name of the corporation by H. P. Musser, Jr. and the articles of termination were executed by Ronnie K. Hoffman. The articles, respectively, indicate that H. P. Musser, Jr. is President and that Ronnie K. Hoffman is Secretary of Pocahontas. Once the articles were found to be in apparent compliance with the applicable provisions of the Stock Corporation Act, Pocahontas was dissolved and its existence terminated by orders dated March 1, 1996.

Additional support for the requested relief was offered when a Joint Motion to Revoke the Orders to Issue a Certificate of Termination and Certificate of Dissolution was filed by the Authority and Pocahontas, by their respective counsel, on April 17, 1996. The joint motion states, among other things, (1) that the West Virginia court ordered the assets of Pocahontas to be held by the two co-receivers - the Authority and the McDowell County (West Virginia) Public Service District - until the construction of a new water system is completed, at which time the assets are to be transferred to the co-receivers and, after which, Pocahontas should be dissolved and terminated, (2) that construction of the new system is expected to be completed during mid-summer of 1996 and (3) that the corporate existence of Pocahontas needs to be maintained until the new system is completed and the assets transferred.

Code § 13.1-614 empowers the Commission to rehear the issuance of a Stock Corporation Act certificate if a shareholder, within ten days after the effective date of the certificate, files a petition asserting that the articles contain a misstatement of material fact as to compliance with the requirements of the corporate law. In addition, the corporation must be given notice and the petitioner and the corporation must be afforded an opportunity to be heard before the Commission revokes or refuses to revoke its order issuing the certificate. The filing of the joint motion indicates that the requirements for notice and an opportunity to be heard have been satisfied.

The Commission, upon consideration of the pleadings and facts, is of the opinion and finds that the Authority has established that it is entitled to the relief requested. It is, therefore,

ORDERED that the order issuing the Certificate of Dissolution and the order issuing the Certificate of Termination, both dated March 1, 1996, with respect to Pocahontas Water Works, Inc. be, and they hereby are, revoked.

BUREAU OF INSURANCE

CASE NO. INS900010
MAY 8, 1996

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

FINAL ORDER

WHEREAS, by order entered herein January 31, 1990, Pacific Standard Life Insurance Company's ("Pacific Standard") license to transact the business of insurance in the Commonwealth of Virginia was suspended by the Commission;

WHEREAS, by affidavit dated March 4, 1996, Pacific Standard's Vice President and Controller formally requested the withdrawal of Pacific Standard's license to transact the business of insurance in the Commonwealth of Virginia;

THE COMMISSION, having considered the request and the law applicable hereto, is of the opinion that the request should be approved;

THEREFORE, IT IS ORDERED THAT:

(1) Pacific Standard Life Insurance Company's license to transact the business of insurance in the Commonwealth of Virginia be, and it is hereby, withdrawn effective as of the date of this order; and

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

CASE NO. INS910068
APRIL 24, 1996

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

AMENDMENT TO ORDER APPOINTING DEPUTY RECEIVER FOR CONSERVATION AND REHABILITATION

WHEREAS, by order of the Circuit Court of the City of Richmond dated May 13, 1991, upon application of the Commission, the Commission was appointed Receiver of Fidelity Bankers Life Insurance Company ("Fidelity Bankers"); and

WHEREAS, by order entered herein May 13, 1991, the Commission appointed Steven T. Foster, Commissioner of Insurance, Bureau of Insurance, State Corporation Commission, Deputy Receiver of Fidelity Bankers, which subsequently became a mutual life insurance company and whose name was changed to First Dominion Mutual Life Insurance Company ("First Dominion") and vested in the Deputy Receiver certain powers as set forth more particularly in the Commission's order of May 13, 1991,

IT IS ORDERED that, effective May 1, 1996, Alfred W. Gross, Acting Commissioner of Insurance, be, and he is hereby, appointed Acting Deputy Receiver of First Dominion and Acting Trustee of Fidelity Bankers Life Insurance Company Trust ("Fidelity Bankers Trust").

IT IS FURTHER ORDERED that Commissioner Gross, in addition to the powers and authority set forth in the Commission's order of May 13, 1991, and all subsequent orders entered herein, be, and he is hereby, vested with all the powers and authority express and implied under the provision of §§ 38.2-1500 through 38.2-1521 and that Commissioner Gross may do all acts necessary or appropriate with respect to the receivership of First Dominion and Fidelity Bankers Trust.

CASE NO. INS920127
APRIL 24, 1996

FIRST AMENDMENT TO ADMINISTRATIVE ORDER DELEGATING CERTAIN AUTHORITY TO THE COMMISSIONER OF INSURANCE

Virginia Code § 12.1-16 provides, in pertinent part:

> In the exercise of the powers and in the performance of the duties imposed by law upon the Commission with respect to insurance and banking, the Commission may delegate to such employees and agents as it may deem proper such powers and require of them, or any of them, the performance of such duties as it may deem proper.

This statute provides further that the head of the Bureau through which the Commission administers the insurance laws shall be designated "Commissioner of Insurance."

NOW THEREFORE, finding it lawful and proper to do so, the Commission hereby delegates to Alfred W. Gross, Acting Commissioner of Insurance, the authority to exercise its powers and to act for the Commission in all matters in the administration of the insurance laws and regulations of this Commonwealth; provided, however, the power to revoke any license issued by the Bureau of Insurance pursuant to this delegation of authority, the power to approve offers of settlement and the power to promulgate rules and regulations shall be, and are hereby, expressly reserved to the Commission. This delegation of authority shall be effective and continuing unless otherwise ordered by the Commission.

In the performance of the duties herein delegated to him, the Acting Commissioner of Insurance shall have the power and authority to make all findings and determinations permitted or required by law.

All actions taken by the Acting Commissioner of Insurance pursuant to the authority granted herein are subject to review by the Commission in accordance with the Rules of Practice and Procedure of the State Corporation Commission.

This order shall be effective May 1, 1996, and supersedes and revokes the order entered herein May 12, 1992, and any and all other orders previously delegating any authority to the administrative head of the Bureau of Insurance.

CASE NO. INS920441
JANUARY 29, 1996

PETITION OF
NORTH AMERICAN REASSURANCE COMPANY

For Review of Fidelity Bankers Life Insurance Company's Deputy Receiver's Determination of Appeals as to Certain Claims Involving North American Reassurance Company

FINAL ORDER

This matter is before us in two respects. First, on October 19, 1992, North American Reassurance Company ("NARE"),[1] filed a Petition ("Petition I") for review of determinations by Steven T. Foster, Deputy Receiver of Fidelity Bankers Life Insurance Company ("Deputy Receiver"), ("Fidelity"), of certain claims NARE had filed against that receivership estate.

Second, on June 30, 1995, NARE filed a similar Petition ("Petition II") seeking relief from later determinations of the Deputy Receiver related to the same basic factual situation.[2]

The Deputy Receiver filed a Motion to Dismiss Petition I, along with other pleadings, and we will treat that motion as applicable to Petition II, also.

Though the relationship between NARE and Fidelity which gave rise to this controversy is convoluted, the basic facts seem clear.

In December, 1990, Fidelity agreed to sell a block of its life insurance business to Protective Life Insurance Company ("PLICO"). However, as a condition of the sale, PLICO insisted on a "stop-loss" guarantee, from a company other than Fidelity, to protect it against the possibility of excess mortality claims on this business. NARE agreed to provide this service, for a small annual premium. Under this arrangement, at the end of each calendar year, PLICO would report to NARE the amount of its excess mortality loss for that year, NARE would pay this amount to PLICO, and would be reimbursed in turn by Fidelity. This relationship was to continue as long as the underlying life policies remained in effect.

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[1] NARE changed its name to Swiss Re Life Company of America in mid-1995. However, since most of the pleadings in this case refer to the company as NARE, it will be referenced as such herein.

[2] In that Petition, NARE moved that those matters be consolidated with the issues being considered under Petition I, above. That motion is granted, and both Petitions are assigned to Case No. INS920441. Petition II, in our view, principally served to update the amounts and status of issues already raised in Petition I.

Also in December, 1990, NARE began discussions with Integrated Resources Life Insurance Company ("Integrated") to acquire certain reinsurance treaties from Integrated, under which Integrated served as reinsurer for other insurance companies, one of which was Fidelity. This arrangement became effective July 1, 1991. As of that date, therefore, NARE became obligated to reinsure Fidelity for certain losses.[3]

Thus, under these two situations, NARE could become both a debtor and a creditor of Fidelity. Its debtor relationship arose in its role as a reinsurer of Fidelity, due to those treaties acquired from Integrated, as well as those entered into directly with Fidelity. It would become a creditor of Fidelity whenever it paid an excess mortality loss amount to PLICO, since it was Fidelity's obligation under that arrangement to make NARE whole for such payments. Both such relationships did in fact develop, and became factors in the Commission's receivership proceeding regarding Fidelity.[4]

NARE makes several contentions in its Petitions. First, it claims it should be allowed to set-off the amounts it owes Fidelity under the reinsurance treaties against the amounts it is owed by Fidelity under the PLICO arrangement. Second, it contends that the payments it makes to PLICO should be accorded priority in the receivership proceeding, as a cost and expense of administration of the receivership estate. Third, it notes that the PLICO contracts provide for 10% interest on any payments past due from Fidelity to NARE, and it contends that such interest should be allowed as a part of its claim against Fidelity.

By contrast, the Deputy Receiver argues that no set-off should be allowed, that administrative priority should be denied, and that no interest should be allowed on NARE's claims. The Deputy Receiver is willing to approve NARE's PLICO-related losses only as a general, unsecured claim against the receivership estate, without interest, and he contends that NARE's reinsurance obligations to Fidelity should be paid immediately to the receivership estate.

In June, 1995, NARE and the Deputy Receiver filed a Stipulation which contained information as to the amounts in controversy between them. There, the Deputy Receiver contends that NARE owes Fidelity, under the reinsurance treaties, the sum of $2,390,865 ($1,146,962 of which is attributable to the Integrated treaties).[5]

The Stipulation also states that NARE has paid PLICO, through May 31, 1995, $3,759,115, none of which has been paid by Fidelity to NARE. That amount has been approved by the Deputy Receiver as a general, unsecured claim against Fidelity. He has disapproved, however, NARE's claim for 10% interest on that amount, an additional $821,647 as of the same date.[6]

Although the magnitude of the above amounts seems non-controversial, the size of NARE's projected future obligations under the PLICO arrangement is disputed. The Deputy Receiver has calculated that loss, as of the dissolution of the Fidelity Life Insurance Company Trust in the year 2000, to be $6,967,285, discounted at 5% present value to December 31, 1994. NARE, by contrast, has calculated a loss of $12,587,396 as of May 31, 1995, or $15,741,768, if discounted to January 1, 2000, using the same discount rate.

The Commission has considered fully the record in this case and believes that the matter can now be disposed of, although certain calculations will have to be performed in the future, in reliance on principles announced herein.

In the view we take of this case, we do not believe that there is any serious issue of fact in dispute between the parties, and therefore that there is no need for an evidentiary hearing. The parties have, of course, availed themselves of repeated opportunities to address the legal issues.

First, we deny NARE's claim for treatment of its PLICO payments as a cost and expense of administration of the Fidelity receivership, and thus will not give these claims priority. Were we to accord such treatment, under Va. Code § 38.2-1509, those payments would take precedence over wages of employees, claims of secured creditors, federal taxes and policyholders. We find no support for such a ruling.

Second, we deny NARE's claim for interest on these amounts. We agree with the Deputy Receiver that, although the underlying contracts may have provided for interest in a normal commercial setting, interest normally does not accrue on a creditor's claim in a receivership context.[7]

Third, we will deny NARE's request that it be permitted to set-off its obligations to Fidelity under the reinsurance treaties it assumed from Integrated against the claims it has against Fidelity for the PLICO situation. We sustain the position of the Deputy Receiver with respect to these treaties.

In particular, we find there is a requirement of mutuality inherent in Va. Code § 38.2-1515, the set-off statute. That is, the debts and credits sought to be set off must share similar characteristics in a way in which these claims do not. For example, NARE became a creditor of Fidelity under the PLICO arrangement before Fidelity was placed in receivership. It did not become a debtor to Fidelity under the Integrated assumption, however, until after the receivership date, and we find this dichotomy fatal to a set-off.

Fourth, however, we will sustain NARE's request that it be permitted to set-off its obligations to Fidelity under the "non-Integrated"[8] reinsurance treaties. According to the parties' June, 1995, stipulation, the reinsurance obligations of NARE to Fidelity which do not involve Integrated total $1,243,903, and this will be the amount of the permitted set-off under our ruling. The Deputy Receiver's position regarding the "non-Integrated"

[3] NARE was also Fidelity's reinsurer under other treaties directly between the two companies, which had no relation to Integrated.

[4] In May, 1991, Fidelity Bankers was placed into receivership by order of the Circuit Court of the City of Richmond, and the Commission was appointed its Receiver.

[5] The Stipulation notes that, as of June, 1993, all policies which formed the basis for these reinsurance arrangements were assumed by Hartford Life Insurance Company from Fidelity. Thus, the above amounts will not change in the future.

[6] The PLICO arrangement would have required another payment from NARE to PLICO on January 15, 1996, assuming there were excess mortality losses for 1995, but we have been supplied no information on this point.

[7] NARE seems to recognize this principle. See Petition I, page 24.

[8] Those treaties which were not assumed by NARE from Integrated.

amounts seems focused mainly on the nature of the PLICO claim (that it is, for example, a contingent liability, which may not be the subject of a set-off), and that allowing a reinsurer such as NARE to effect a set-off somehow violates public policy. We are not persuaded by these arguments. First, the PLICO claim becomes less contingent with each passing year, yet the receivership estate is still under administration; thus, no delay in administration has been occasioned by the nature of these claims. The second argument goes merely to the wisdom of the statute, since there is no prohibition therein against use of set-off by reinsurers.

The remaining issue is how to handle future losses experienced by NARE under the PLICO arrangement. We think the treatment to date furnishes reasonable guidance on this point. That is, for each year in which NARE actually pays any amounts to PLICO, such payment will be added to its general, unsecured claim against Fidelity, without interest. The Deputy Receiver is directed to approve such claim promptly when submitted, subject only to verifying the correct amount. Such procedure will be followed until and including the potential payment which will be due from NARE to PLICO in January, 2000.

In that year, which is the year the Fidelity Life Insurance Trust will terminate, an actuarial projection will be made by the parties to estimate the likely future losses which will be suffered by NARE for the remaining life of the PLICO arrangement. That amount will be discounted to the date on which the Trust ends, using a discount rate and other factors to be agreed by the parties. The amount so calculated will be added to NARE's general, unsecured claim and resolved in the same manner as all other general, unsecured claims at that time.

To summarize, the disposition we make of the Deputy Receiver's Motion to Dismiss and counter-claim has the following elements:

1. NARE will have a general, unsecured claim against the Fidelity estate for all amounts NARE actually pays PLICO, through the payment potentially due in January, 2000, plus an actuarially determined amount for all such obligations after that date. No such amounts will bear interest. The Commission will resolve any disputes regarding calculation of these amounts, if the parties cannot in good faith settle them between themselves.

2. The general, unsecured claim noted above is reduced, effective immediately, by the set-off amount regarding reinsurance claims discussed above, $1,243,903. Correspondingly, NARE's debt to Fidelity is reduced by the same amount, also effective immediately.

3. NARE is obligated to Fidelity for the sum of $1,146,962, the amount related to the reinsurance obligations assumed by NARE from Integrated. Judgment shall enter against NARE for said amount, with interest to accrue at the legal rate from the date of this order.

ACCORDINGLY, IT IS ORDERED:

1. That the disposition and relief set forth in the body of this order shall be implemented herein.

2. That, although this order is intended by the Commission to be a final order in this matter, the Commission will be available to resolve any matters, such as calculations of future amounts, which may become necessary.

CASE NO. INS920441
JUNE 21, 1996

PETITION OF
NORTH AMERICAN REASSURANCE COMPANY

For review of Fidelity Bankers Life Insurance Company's Deputy Receivers Determination of Appeals as to Certain Claims Involving North American Reassurance Company

ORDER GRANTING PETITION FOR SUSPENSION OF FINAL ORDER PENDING APPEAL TO THE VIRGINIA SUPREME COURT

ON A FORMER DAY came North American Reassurance Company ("NARe"), now known as Swiss Re Life Company America, and filed with the Clerk of the Commission a timely notice of appeal and, pursuant to Virginia Code § 8.01-676.H., a petition for suspension of the final order entered herein on January 29, 1996;

AND THE COMMISSION, having noted that NARe and the Acting Deputy Receiver of First Dominion Mutual Life Insurance Company, formerly Fidelity Bankers Life Insurance Company, by counsel, have filed with the Clerk of the Commission a joint stipulation pursuant to which NARe has also filed with the Clerk of the Commission, in support of its Petition for Suspension, an irrevocable letter of credit which, among other things, is established in favor of Alfred W. Gross, Acting Deputy Receiver of First Dominion Mutual Life Insurance Company in the total amount of one million, two hundred eighty-four thousand, five hundred ninety-seven dollars and forty-four cents ($1,284,597.44), and for good cause shown, is of the opinion that the petition for suspension should be granted.

THEREFORE, IT IS ORDERED that the final order entered herein January 29, 1996, be, and it is hereby, SUSPENDED pursuant to Virginia Code § 8.01-676.H. until further order of the Commission.

CASE NO. INS940086
AUGUST 2, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
UNITED SERVICE ASSOCIATION FOR HEALTH CARE EMPLOYEE WELFARE BENEFIT PLAN
and
USA FOR HEALTH CARE BENEFIT TRUST,
Defendant

FINAL ORDER

IT APPEARING from an affidavit filed with the Clerk of the Commission on July 16, 1996, that Defendants have complied with the terms of the Consent Order entered by the Commission on July 7, 1996;

THEREFORE, IT IS ORDERED THAT:

(1) The Consent Order entered herein be, and it is hereby, VACATED; and

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

CASE NO. INS940093
MAY 13, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
INTERNATIONAL ASSOCIATION OF ENTREPRENEURS OF AMERICA BENEFIT TRUST,
Defendant

ORDER TO TAKE NOTICE

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant violated Section 5 of the Commission's Rules Governing Multiple Employer Welfare arrangements by operating a self-funded multiple employer welfare arrangement in the Commonwealth of Virginia without first obtaining a license from the Commission;

THEREFORE IT IS ORDERED THAT Defendant TAKE NOTICE that the Commission shall enter an order subsequent to May 23, 1996, permanently enjoining Defendant from operating a multiple employer welfare arrangement in the Commonwealth of Virginia unless on or before May 23, 1996, Defendant files with the Clerk of the Commission, Document Control Center, 1300 East Main Street, Richmond, Virginia 23219, a responsive pleading and a request for a hearing before the Commission.

CASE NO. INS940125
JUNE 4, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
RISCORP NATIONAL INSURANCE COMPANY, f/k/a ATLAS INSURANCE COMPANY,
Defendant

FINAL ORDER

WHEREAS, by order entered herein December 6, 1994, Defendant's license to transact the business of insurance in the Commonwealth of Virginia was suspended.

WHEREAS, Defendant's March 31, 1996, Quarterly Statement filed with the Bureau of Insurance indicates that Defendant has restored its surplus to the minimum amount required by Virginia law;

WHEREAS, the Bureau of Insurance has recommended that the order entered by the Commission suspending Defendant's license be vacated; and

THE COMMISSION, having considered the record herein and the recommendation of the Bureau of Insurance, is of the opinion that the Order Suspending License entered by the Commission should be vacated;

THEREFORE, IT IS ORDERED THAT:

(1) The Order Suspending License entered herein on December 6, 1994, be, and it is hereby, VACATED; and

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

CASE NO. INS940130
JANUARY 2, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
FIRST CONTINENTAL LIFE AND ACCIDENT INSURANCE COMPANY,
Defendant

FINAL ORDER

WHEREAS, by order entered herein August 15, 1994, Defendant's license to transact the business of insurance in the Commonwealth of Virginia was suspended;

WHEREAS, by affidavit of Defendant's Secretary-Treasurer, the Commission was advised that, as of September 30, 1995, Defendant restored its surplus to policyholders to at least $3,000,000, the minimum amount required by Virginia law;

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

The COMMISSION, having considered the record herein and the recommendation of the Bureau of Insurance, is of the opinion that the Order Suspending License entered by the Commission should be vacated;

THEREFORE, IT IS ORDERED THAT:

(1) The Order Suspending License entered herein be, and it is hereby, VACATED; and

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

CASE NO. INS940182
MARCH 1, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
CREDIT GENERAL 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 by failing to file timely with the Commission Defendant's 1994 Supplemental Report for Certain Lines or 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) 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 THAT:

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

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

CASE NO. INS940218
APRIL 24, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
HOME WARRANTY CORPORATION, HOME OWNERS WARRANTY CORPORATION
and
HOW INSURANCE COMPANY, A RISK RETENTION COMPANY,
DEFENDANTS

SECOND ORDER IN AID OF RECEIVERSHIP

WHEREAS, upon application of the Commission and Steven T. Foster, Commissioner of Insurance, on October 14, 1994, in Court File No. HE-1059-1, the Circuit Court of the City of Richmond, pursuant to Virginia Code § 38.2-1505, entered an order entitled FINAL ORDER APPOINTING RECEIVER FOR REHABILITATION OR LIQUIDATION in which, *inter alia*, the Commission and Steven T. Foster were appointed, respectively, Receiver and Deputy Receiver of Home Warranty Corporation, Home Owners Warranty Corporation and HOW Insurance Company, A Risk Retention Group ("the HOW Companies"). Said order also granted to said receivers certain powers and authority as more particularly set forth therein;

WHEREAS, Virginia Code § 38.2-1507 provides, *inter alia*, that, "If the Commission is authorized to proceed with the rehabilitation or liquidation, it may issue injunctions or enter any other appropriate order for the protection of the insurer's policyholders and creditors and the preservation of its property";

WHEREAS, Virginia Code § 38.2-1508 provides, *inter alia*, that once the Commission has been appointed receiver of a delinquent insurer, "All further proceedings in connection with the rehabilitation or liquidation shall be conducted by the Commission without any control or supervision by the court to which the application was made"; and

WHEREAS, Virginia Code § 38.2-1510 provides, *inter alia*, that, "The Commission shall have the power to appoint one or more special deputies as its agent" and that "The Commission may delegate to its agent any of its powers which are necessary to carry out the rehabilitation or liquidation";

IT IS ORDERED that, effective May 1, 1996, Alfred W. Gross, Acting Commissioner of Insurance, Bureau of Insurance, State Corporation Commission be, and he is hereby, appointed Acting Deputy Receiver of Home Warranty Corporation, Home Owners Warranty Corporation and HOW Insurance Company, A Risk Retention Group and shall have and possess all of the powers and authority of the Deputy Receiver as set forth in the Circuit Court of the City of Richmond's order of October 14, 1994, in Court File No. HE-1059-1.

CASE NO. INS950078
MARCH 4, 1996

PETITION OF
RUSSELL JOHNSON

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

FINAL ORDER

WHEREAS, on May 6, 1995, Russell Johnson ("Petitioner") filed a Petition with the Clerk of the Commission contesting the Deputy Receiver's Determination of Appeal in Claim No. 38461222;

WHEREAS, on September 12, 1995, the Commission appointed a Hearing Examiner to conduct all further proceedings including ruling on a Motion to Dismiss which had previously been filed by the Deputy Receiver;

WHEREAS, on September 29, 1995, the Hearing Examiner denied the Deputy Receiver's Motion to Dismiss;

WHEREAS, on November 30, 1995, a telephonic hearing was held where the Petitioner and the Deputy Receiver were provided an opportunity to introduce testimony and evidence in support of their respective positions and provided an opportunity to cross-examine on the evidence proffered by the other party;

WHEREAS, on December 29, 1995, the Hearing Examiner filed her Final Report, wherein the Hearing Examiner found that Petitioner's claim should be denied and recommended that the Commission enter an order: (i) adopting her findings; (ii) affirming the Deputy Receiver's denial of Claim No. 38461222; and (iii) dismissing the case from the Commission's docket of active cases;

THE COMMISSION, having considered the record herein and the report of an the recommendation of its Hearing Examiner, adopts the Hearing Examiner's findings as its own;

THEREFORE, IT IS ORDERED THAT:

(1) The Petition of Russell Johnson for review of the Deputy Receiver's Determination of Appeal be, and it is hereby, DENIED;

(2) The Deputy Receiver's Determination of Appeal issued on April 19, 1995, be, and it is hereby, AFFIRMED; and

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

CASE NO. INS950079
OCTOBER 28, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
NORWEST CORPORATION, NORWEST MORTGAGE, INC.
and
AMERICAN LAND TITLE COMPANY, INC.
Defendants

FINAL ORDER AND OPINION

The underlying Rule to Show Cause in this case was issued after an investigation conducted by the Bureau of Insurance ("Bureau") undertaken in response to a complaint made by Lawyers Title Insurance Corporation ("LTIC"). A Hearing Examiner was appointed to receive evidence, make findings, and report to the Commission. After the Rule to Show Cause was issued, LTIC and Virginia Land Title Association ("VLTA") requested, and were permitted, to participate in this proceedings as party complainant and intervener, respectively.

A hearing was conducted before the Examiner on November 14, 1995. Subsequently, all parties were allowed to file Post-Hearing Briefs. The Final Report of the Hearing Examiner was filed on April 25, 1996, and the Defendants filed comments thereon.

For the most part, the facts in the case are not in dispute; the controversy centers rather upon the parties' conflicting interpretations of Virginia law. The facts are as follows:

Norwest Corporation ("NC") is a bank holding company and the parent company of Norwest Mortgage, Inc. ("NMI") and American Land Title Company, Inc. ("ALTC"). NMI originates residential first mortgage loans and sells the bulk of these loans in the secondary market to entities such as the Federal National Mortgage Association ("Fannie Mae"), the Federal Home Loan Mortgage Association ("Freddie Mac"), and the Government National Mortgage Association ("Ginnie Mae").[1] ALTC is a title insurance agency licensed in Virginia to procure title insurance policies from licensed title insurance companies.

In 1992, NMI and ALTC began to develop a program called "Title Option Plus" ("TOP"). TOP is available to NMI borrowers on loans secured by mortgages on pre-existing individual residences. Under this program, ALTC prepares a "Title Condition Report." If the report reveals no title defects, NMI will make the loan without requiring the borrower to purchase a lender's title insurance policy. In general, the TOP fee is 10% less than the premium on a lender's title insurance policy.

Before the development of TOP, secondary purchasers of NMI's loans required such loans to be backed by either lender's title insurance or a lawyer's title opinion. The documents conveying the loan to the secondary market also contained the lender's guarantee as to the first lien status of the loan sold. Now, by a special agreement negotiated by NC and NMI, Fannie Mae and Freddie Mac will accept TOP in lieu of lender's title insurance or an attorney's title opinion. With TOP, NMI agrees to cure any title defect in the loan secured by the mortgage, or to repurchase the loan from these secondary purchasers, and NC further guarantees NMI's performance. Ginnie Mae does not require the additional guarantee from NC, but also accepts TOP on loans sold to it by NMI.

The Examiner concluded that TOP constituted insurance: "TOP falls squarely within the definition of title insurance found in Code § 38.2-123. It is insurance which protects secondary lenders from economic losses caused by reason of liens and encumbrances on property securing an NMI loan. TOP also guarantees an NMI loan's first lien status by protecting the secondary lenders from any loss caused by any on- or off-record title defects during the term of the loan. Clearly, TOP is title insurance."[2] On the basis of that finding, the Examiner recommended that the Commission enjoin the Defendants from offering TOP in the Commonwealth and impose a $60,000 fine, suspending half of the fine on the condition that the Defendants cease selling TOP in Virginia. On May 10, 1996, the Defendants filed their comments on the Examiner's Report.

NOW THE COMMISSION, having considered the Examiner's Report, the comments and exceptions thereto, the record evidence herein, as well as the relevant rules and statutes, is of the opinion and finds that TOP is not insurance under the current state of the law in Virginia. While the public interest may necessitate that products such as TOP be regulated, until the General Assembly acts to grant the Commission authority over such products, there is no basis upon which the Commission may act. Accordingly, the Commission will dismiss the Rule to Show Cause.

The Commission finds that TOP does not involve the shifting of risk that is essential to the creation of insurance. NMI, like any lender, incurs a risk that the priority of its lien is not what it believed it to be when the loan was made. NMI creates and bears that risk itself by virtue of its decision to make the loan. When lender's title insurance is purchased, NMI (the lender) transfers its risk to the title insurance company. But where TOP is involved, NMI retains the title risk.

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[1] NMI sells 53% of its loans to Ginnie Mae, 23% to Freddie Mac, and 16% to Fannie Mae. The record is silent as to the disposition of the remaining 8% of the loans.

[2] Report, at 14.

The issue in this case is whether TOP is insurance. There is no definition of insurance in the Code of Virginia.[3] In concluding that TOP constitutes insurance, the Hearing Examiner principally focuses on two cases.[4] The Report lists and relies upon the five elements necessary for a contract of insurance included in American Surety and states that these elements are present in TOP, thus rendering TOP "insurance" in the Examiner's view. The Report suggests that Defendants' emphasis on the element of transference of risk, as mentioned in Hilb, "focus[es] more on semantics rather than the underlying notions and fundamental characteristics of an insurance contract."[5] While the Examiner acknowledges that the Virginia Supreme Court held, in Hilb, that "shifting of the risk is the essence of insurance,"[6] he found "no indication that the Court ever intended the word 'shifting' to be used in the narrow, overly restrictive context advocated by the Defendants."[7] The Commission must disagree with the Examiner's analysis and conclusions.

The Supreme Court of Virginia, in Hilb, a case where one of the dispositive issues was whether a particular transaction was insurance, stated that "shifting of the risk is the essence of insurance." Further, the test applied to determine whether there was insurance in that case was whether there was a transfer of risk.

The Commission is of the opinion that the Examiner's reliance on American Surety is based upon a misinterpretation of that decision. The Court in American Surety first determined that fidelity insurance was involved. In so doing, it defined fidelity insurance by quoting with approval from Corpus Juris:

> Fidelity insurance, as the term is usually employed, is a contract whereby one, for a consideration, agrees to indemnify another against loss arising from the want of honesty, integrity, or fidelity of employees or others holding positions of trust.[8]

There was thus the transfer of risk, "whereby one, for a consideration, agrees to indemnify another against loss . . .." Once the Court determined that insurance was involved, it then set out the elements necessary to establish an enforceable contract for insurance. The five elements relied on by the Examiner are the elements necessary to create a contract for insurance once it has been determined that the contract is to be one for insurance. The "elements" constitute the test to determine whether there is or is not a contract; the test of whether there is or is not insurance is the transfer of risk.

The Commissioner of Insurance has, through the issuance of Administrative Letters, recognized the critical distinction between products that involve risk retention and products that involve risk transference. In Administrative Letter 1995-10, the Commissioner of Insurance wrote:

> An employer may self-fund health benefits for its employees and contract with an administrator in an ASO [Administrative Services Only] agreement to process claims and provide access to a network of providers. In such cases, the employer bears the ultimate risk of loss for all health care claims incurred by its employees. Furthermore, the employer may self-fund to cover its entire risk of loss, or it may self-fund to a certain dollar cap and purchase stop-loss insurance to cover any health care claims that exceed an individual or aggregate cap.
>
> However, with a capitated ASO agreement, the employer, for a fixed fee per employee, transfers all or a portion of its risk of loss for health care claims of its employees to an administrator, health care provider or other entity. This type of agreement constitutes a contract of insurance under Virginia law.[9]

The Bureau of Insurance has drawn similar distinctions between extended warranty service plans offered by automobile manufacturers or dealers and those offered by third parties. In Administrative Letter 1982-10, the Commissioner of Insurance wrote that "such contracts, by whatever name called, are policies of mechanical breakdown insurance if offered by a person other than the manufacturer or seller of the covered motor vehicle... [while] contracts offered by the manufacturer or seller of the covered motor vehicle are more in the nature of warranties than of insurance. The primary risk of loss under such contracts must remain with and be borne by the manufacturer or seller, or the contract will be deemed to be an insurance policy."[10]

While we are not bound by the opinions of the Bureau, the reasoning contained in these administrative letters is both persuasive and consistent with the view of the Virginia Supreme Court that the "shifting of the risk is the essence of insurance." Further, adoption of the Examiner's view would reverse the basis for these administrative rulings and create at least great uncertainty in the industry. This we should not do unless legally required, or presented with strong policy reason, to do so. Neither basis exists here.

The Commission must also disagree with the Examiner with respect to the "warranty" issue. It appears that his analysis is tied to the concept of warranties for manufactured products. He concludes that if the warranty "protects the purchaser from losses caused by perils unrelated to the manufacture

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[3] Various kinds of insurance are listed in the Code, but they all assume a definition of insurance. See, Code §§ 38.2-101 through -137.

[4] American Surety Company v. Commonwealth, 180 Va. 97 (1941) and Hilb, Rogal and Hamilton Company v. DePew, 247 Va. 240 (1994). In their Comments, Defendants also cited Variable Annuity Life Insurance Company v. Clarke, 998 F.2d 1295 (5th Cir. 1993).

[5] Report, at 9.

[6] Hilb, at 248, citing Variable Annuity Life, at 1301.

[7] Report, at 9.

[8] American Surety, at 104.

[9] Ex. MMB-5, p. 1. Emphases added.

[10] Ex. MMB-4, p.2.

of the product and outside the seller's control, the promise to indemnify is more in the nature of insurance."[11] The Report explains how the "warranty" NMI makes to the purchaser of the loans protects the purchaser against off-record defects in the chain of title and also opines that off-record defects do not relate to the NMI "product," i.e., the loan, but to the collateral securing the loan. The Report concludes that since these off-record defects could not be under the control of the Defendants, TOP could not be a warranty and must instead be insurance.

This analysis ignores the fundamental elements of many basic business transactions. There are many "warranties" that do not relate to "products" as described in the Report.[12] Warranties are a vital part of most business transactions and are part of the consideration for many sales. For example, the seller of a business, whether assets or stock, often has to warrant many things that are not products of his company and are far beyond his control. In such a transfer, the seller may be required to warrant that his company has free and clear title to all the company equipment, the trucks to deliver the goods, and the land on which the company is located. He may have to warrant that the leases for the company outlets are valid and enforceable. These warranties include many, if not all, of the same risks the Examiner describes, at page 13 of the Report, as beyond NMI's control. There is clearly consideration for these warranties; the buyer would either not make the purchase or would pay less if the seller did not retain the risks that are beyond the control of either party. The Examiner's narrow reasoning would imply, if not require, that such transactions be deemed to constitute insurance and thus be subject to regulation. Yet, there has been no suggestion that these daily business transactions constitute insurance.

According to the record, all sellers of loans to Freddie Mac, Fannie Mae and Ginnie Mae must agree to indemnify these purchasers against the risk that the lien may not have first priority. These purchasers require that the seller of the loans obtain either an opinion of counsel, a lender's title insurance policy, or, in the case of NMI, TOP. In the first instance, the seller of the loan obtains an opinion of counsel as to the priority of his lien. Similarly, NMI obtains a title condition report where TOP is involved. In both cases, the seller of the loan retains all of the risks of off-record defects in the chain of title, clerk's errors and other non-disclosed and non-conveyed interests, which are all matters beyond the control of the seller and discovery by the title examiner. Part of the consideration for making the loans necessarily includes compensation for these risks. Under the Examiner's reasoning, all loan sales where an opinion of counsel is involved must also include insurance because, just like the NMI-TOP situation, a risk beyond the control of the seller is being retained and there is compensation for it.[13] There has been no suggestion that sales of loans accompanied by an opinion of counsel rather than title insurance involve insurance. They do not. Nor does TOP. The only differences are that TOP includes a title condition report rather than an opinion of counsel and the borrower's funds go to NMI's affiliate ALTC for the title search rather than to the lawyer. In substance, each transaction is identical. Neither case involves insurance.

As noted above, the Examiner interpreted Hilb to mean there need not be a shifting or transference of risk for insurance to arise. Instead, in his view, protection against risk may be afforded by "'transferring' the risk of loss, 'shifting' the risk of loss, 'assuming' the risk of loss, 'distributing' the risk of loss, or 'retaining' the risk of loss."[14] Clearly, one may protect against risk of loss by various means. However, only when one pays another to take over one's own risk of loss is insurance created. The Examiner's reading does not, therefore, interpret Hilb, but rather would require an overruling of it. Contrary to the Examiner's interpretation, the Supreme Court, in Hilb, stated and held that "shifting of the risk is the essence of insurance," not assumption or retention of one's own risk. This is a critical distinction and not a matter of semantics only. Further guidance is provided by Variable Annuity Life.

In Variable Annuity Life, the issue was whether banks, which were then prohibited from dealing in insurance products, could sell annuities. The Court ruled that annuities were insurance, relying on the United States Supreme Court's definition of insurance in Group Life & Health Ins. Co. v. Royal Drug Co., that "[i]nsurance is an arrangement for transferring and distributing risk."[15] The Court, in Variable Annuity Life, found that both "life insurance and annuities transfer the economic risk of death from the policyholder to the insurance company."[16] Risk transference was the dispositive factor in this case, as in Hilb.

Every lender "assumes" lien priority risks every time it makes a loan. Some lenders protect themselves from these risks by transferring them to a title insurance company. Others lender's protect themselves by receiving opinions of counsel or, with TOP, title condition reports. In either of the latter cases, the lender retains lien priority risks beyond his control, i.e., beyond the ability of the title examiner to discover them. Under the Examiner's reading of Hilb, all loans, even those without title insurance, must necessarily involve insurance because of the lender's "assumption" and "retention" of these risks. Clearly, the "assumption" and "retention" of lien priority risks by the lender cannot equate to the transfer of risk required by Hilb.

Another problem with the Examiner's analysis is that the question of whether TOP is insurance cannot be answered at the time the TOP transaction occurs. The Examiner's determination that TOP constitutes insurance depends on the sale of the loan into the secondary market and the guarantees and warranties related to such sales. Thus, if NMI were to retain a loan in which TOP is involved, there would, under the Examiner's rationale, be no insurance. The determination of whether TOP is insurance should be made when the TOP transaction occurs. With a lender's title policy, there is a transfer of risk from the lender to the title company and the fact that this constitutes insurance can be determined when the policy is issued. If NMI were to keep a loan with TOP, there would never be "insurance" under the Examiner's rationale because there would be no sale with the attendant warranties or guarantees that are needed to create insurance. While NMI apparently sells all or most of its loans, other lenders do not. Under the Report's analysis, if a lender adopted the TOP program and retained some or all of its loans for a period of time, then, perhaps years after a loan was made, TOP would suddenly become "insurance" at the time of the sale of the loan. The Hilb Court's requirement of the transfer of risk avoids this flaw. When the transaction occurs it can be determined whether it is insurance.

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[11] Report, at 12.

[12] While Defendants make an excellent case that the mortgage loan is a "product" as envisioned by the Examiner, such a finding is unnecessary.

[13] It should be clear that all lenders obtain compensation in some form for bearing these off-record risks, as well as all other risks associated with their business. Where opinion of counsel accompanies a loan, the compensation for the off-record risks is part of the basic fees for making the loan; NMI is similarly compensated where TOP and a title condition report is involved.

[14] Report, at 10.

[15] 440 U.S. 205, 211; 99 S.Ct. 1067, 1073; 59 L.Ed.2d 261 (1979), quoting R.Keeton, Insurance Law § 1.2(a) (1971).

[16] 998 F.2d 1295, 1301 (5th Cir. 1993).

Finally, it must again be remembered that the issue in this case is whether TOP is insurance. The Examiner appears to conclude that if a product looks like insurance, and is sold like insurance, it must be insurance.[17] Such is not the case under the current state of the law in Virginia, however, where the transfer of risk "is the essence of insurance."

There being no transference of risk in the creation and issuance of TOP, it is simply not insurance. We have no authority to act here. Therefore, we must dismiss the Rule to Show Cause. Accordingly,

IT IS ORDERED THAT:

(1) The Rule to Show cause be, and hereby is, dismissed; and

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

[17] Nebraska statutes define insurance to include, under certain circumstances, the "equivalent" of specified activities that could make TOP insurance. See, Norwest Corp. v. State of Neb. Dept. of Ins., Docket No. 527 (Lancaster County, Neb. Dist. Ct., Jan. 5, 1996) and NEB. REV. STAT. § 44-1942. Virginia has no comparable statutes.

CASE NO. INS950103
OCTOBER 28, 1996

APPLICATION OF
BLUE CROSS AND BLUE SHIELD OF VIRGINIA (d/b/a Trigon Blue Cross Blue Shield)

For approval of a plan of demutualization and conversion from a mutual insurance company to a stock corporation pursuant to, *inter alia,* Virginia Code § 38.2-1005.1

ORDER GRANTING PROVISIONAL APPROVAL OF APPLICATION

Beginning on September 9, 1996, pursuant to an order entered herein June 3, 1996, the Commission conducted a hearing for the purpose of considering the second amended application of Blue Cross and Blue Shield of Virginia ("Trigon"), a domestic mutual insurer, for approval of a plan of conversion from a mutual insurance company to a stock insurance company ("the plan" or "the plan of conversion") pursuant to the provisions of Virginia Code § 38.2-1005.1 and other related provisions of the Code of Virginia. The second amended application was filed with the Commission on May 31, 1996, being necessitated by the legislature's enactment of Virginia Code § 38.2-1005.1.

At the hearing, Trigon, the Bureau of Insurance and the Division of Consumer Counsel of the Office of the Attorney General of Virginia were represented by their counsel. While Mr. Gerald Haeckel became a protestant in this proceeding pursuant to the Rules of Practice and Procedure of the Commission and the aforesaid order, Mr. Haeckel was prevented from attending the hearing due to unavoidable circumstances. Several intervenors or "public witnesses" appeared at the hearing expressing both support for, and opposition to, the proposed plan. In addition to the persons appearing at the Commission's hearings, the Commission has received correspondence from a great number of persons concerning the proposed plan of conversion with particular emphasis on how Trigon's plan proposes to distribute its accumulated surplus.

At the outset, the Commission believes that it should observe that, until the legislature adopted Virginia Code § 38.2-1005.1, the Commission possessed wide latitude with respect to its authority to act concerning a plan of conversion from a mutual insurer to a stock insurer. The enactment of Virginia Code § 38.2-1005.1 precisely defines the necessary elements of a plan of conversion which, if satisfied, mandates approval of the plan by the Commission.

The Commission has carefully considered the views expressed by numerous individuals and organizations as articulated through appearances before the Commission, correspondence and post-hearing briefs. The views of the Cities of Lynchburg and Charlottesville also have been appropriately considered.

The Commission is mindful of the strongly held views by a number of these persons that the stock and/or cash representing the accumulated surplus of Trigon should be distributed to a charitable foundation, or to persons who are not "policyholders," as that term is defined, but have contributed to the surplus as insureds under group policies, or to other entities who have contributed to the surplus by being parties to noninsurance "administrative services only" contracts with Trigon, such as the Cities of Lynchburg and Charlottesville, or to other persons and entities having contributed ultimately to the surplus of Trigon through Trigon's affiliated HMOs. A number of individuals expressed the view that no plan of conversion offered by Trigon should be approved due to allegations of past violations of insurance laws by Trigon or its affiliates. We have no reason to question the sincerity of any of the persons or entities urging various dispositions of Trigon's application, but it is not appropriate for us to evaluate the merits of those proposals. This is so because Virginia code § 38.2-1005.1 precisely defines the necessary elements of a plan of conversion which, if satisfied, mandate approval of the plan by the Commission.

Virginia Code § 38.2-1005.1 explicitly circumscribes and dictates the individuals and entities to whom distributions of the surplus of Trigon may be made under any plan of conversion filed with the Commission. This code section provides specifically, in pertinent part, that, after the mandatory distribution to the Treasurer of Virginia of that part of Trigon's surplus set forth in subparagraph 4. of section B., "[t]he Commission *shall* approve any such plan of conversion if . . . the Commission determines that . . . the plan allocates and directs that the *entire* stock ownership interests and other consideration to be distributed pursuant to the plan of conversion be distributed to the *policyholders* of the domestic mutual insurer." (Emphasis added).

Accordingly, with the enactment of Virginia Code § 38.2-1005.1 in early 1996, those individuals and entities who might otherwise have participated in any distribution of the accumulated surplus of Trigon pursuant to a plan of conversion filed with and approved by the Commission have been limited solely to those persons who are "policyholders" of Trigon. While Virginia Code § 38.2-1005.1 does not define the term "policyholders," the

bylaws of Trigon as filed with the Commission, dated July 1, 1991, provide that individuals, persons and entities to whom individual and group policies of insurance have been issued are "members" of Trigon. Because a mutual insurance company is owned by its members, it follows, and we find, that the term "policyholders", as used in Virginia Code § 38.2-1005.1.B.3., refers to those individuals, persons and entities to whom Trigon has issued individual and group policies of insurance and excludes all other individuals, persons, entities and the public in general, notwithstanding any contributions such individuals, persons, entities and/or the general public may have made, either directly or indirectly, to the accumulated surplus of Trigon.

At the hearing, Trigon and the Bureau of Insurance each presented expert witnesses in the fields of actuarial science, economics and finance, accounting, investment banking, and federal taxation. While there were some differences of opinion among the expert witnesses for both Trigon and the Bureau with respect to certain aspects of the proposed plan of conversion, it was generally the consensus of the witnesses for Trigon and the Bureau that the overall terms and conditions of the proposed plan of conversion as amended and filed with the Commission on May 31, 1996, were fair and equitable to the policyholders of Trigon. It is relevant to note at this point that many of the policyholders of Trigon were also of the same opinion for, on September 6, 1996, at a special meeting of the policyholder/ members of Trigon, the proposed plan of conversion was approved by an overwhelming majority of the voting policyholder/members.

At the close of the hearing, Trigon, the Bureau of Insurance and the Attorney General, by their counsel, agreed to file with the Clerk of the Commission post-hearing briefs relating to (i) the areas of disagreement among the formal parties to the proceeding and (ii) specific matters of concern raised by the members of the Commission during the course of the hearings. These matters concerned, for the most part, (i) the National Blue Cross Association's name and mark restrictions contained in the articles of incorporation of Trigon Healthcare, Inc. ("THI") and the proposed plan of conversion and (ii) any plans for any stock-based compensation or stock option plans for the benefit of officers and directors of Trigon and THI after any approved conversion.

On September 20, 1996, in accordance with the Commission's directive, and thereafter, Trigon, the Attorney General of Virginia and the Bureau, by their counsel, filed their respective post-hearing briefs. Moreover, certain of the public witnesses who appeared at the hearing also filed post-hearing briefs.

Simultaneously with the filing of its post-hearing brief on September 20, Trigon also filed Amendment No. 3 to the Application which (i) reduced from 60 months to 30 months from the effective date of the plan the period during which no person may acquire the beneficial ownership of five percent or more of the stock of Trigon Healthcare, Inc. and (ii) restricted the timing of any adoption of a stock-based compensation plan and any awards made thereunder. We are of the opinion and find that these amendments liberalize the terms and conditions of the proposed plan of conversion with respect to the interests of the member/policyholders of Trigon; and, therefore, we find that the amendments do not require further public hearing by the Commission.

AND THE COMMISSION, having considered the application herein, the evidence adduced at the hearing, the argument of counsel, the post-hearing briefs of the parties, including those of the public witnesses, and the law applicable hereto, is of the opinion and finds that the proposed plan of conversion, as so amended, meets all of the requirements of Virginia Code § 38.2-1005.1.B. and that the plan of conversion, as hereinafter amended, should be approved. Moreover, we are also of the opinion and find that the proposed plan of conversion should be approved pursuant to Virginia Code §§ 13.1-722.1, 13.1-898.1, 38.2-1326 and 38.2-1331 to the extent that the proposed plan of conversion is subject to the latter two code sections of the Insurance Company Holding Company Act as set forth in Article 5. of Chapter 13 of Title 38.2 of the Code of Virginia (Virginia Code §§ 38.2-1322 *et seq.*).

THEREFORE, IT IS ORDERED:

(1) That, pursuant to Virginia Code §§ 38.2-1005 and 38.2-1005.1, the proposed plan of conversion of Blue Cross and Blue Shield of Virginia from a mutual insurance company to a stock insurance company, as last amended and filed with the Clerk of the Commission on September 20, 1996, be, and it is hereby, provisionally APPROVED, subject to the following requirements and ordering paragraph 3. *infra*:

a. Section 12.4 of the Plan of Conversion, as amended and filed by Trigon on September 20, 1996, shall be amended further to provide that no award of stock-based compensation or stock option shall be made to any officer or director of Trigon Insurance Company or Trigon Healthcare, Inc. or any other person until after the Effective Date of the Plan of Conversion and no such award or option may be exercised until after ninety (90) days following the expiration of the Lock-Up Period. Further, no such award or stock option may be exercised at a price lower than the higher of the average closing price over the preceding twenty (20) trading days or the closing price on the effective date of the exercise.

b. The introductory sentence of Article VI of the Articles of Incorporation of Trigon Healthcare, Inc. shall be amended to read, "The provisions of this Article VI shall be applicable to Articles III, VII and VIII and the definitions in Section 6.1 shall be applicable to Articles V, IX and XIV."

c. That an Article XIV shall be included in the Articles of Incorporation of Trigon Healthcare, Inc., as set forth in Attachment "A" which is attached hereto and made a part hereof.

(2) That the application be, and it is hereby, APPROVED pursuant to Virginia Code §§ 13.1-722.1, 13.1-898.1, 38.2-1326 and 38.2-1331; and

(3) That the Applicant Trigon shall forthwith file with the Clerk of the Commission an amended plan of conversion and amended articles of incorporation of Trigon Healthcare, Inc. as set forth hereinabove and in Attachment "A" hereto. Upon the filing thereof, the Commission shall enter a final order making the aforesaid amended plan and articles a part thereof and granting approval of the proposed plan of conversion.

NOTE: A copy of Attachment A entitled "Article XIV Expiration of Name and Mark Restrictions" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. INS950103
NOVEMBER 5, 1996

APPLICATION OF
BLUE CROSS AND BLUE SHIELD OF VIRGINIA (d/b/a TRIGON BLUE CROSS BLUE SHIELD)

For approval of a plan of demutualization and conversion from a mutual insurance company to a stock corporation pursuant to, inter alia, Virginia Code § 38.2-1005.1

FINAL ORDER GRANTING APPLICATION FOR APPROVAL OF PLAN OF DEMUTUALIZATION AND CONVERSION

On November 1, 1996, in accordance with the provisional order of approval entered herein October 28, 1996, Blue Cross and Blue Shield of Virginia ("Trigon"), by its counsel, filed with the Clerk of the Commission an Amended and Restated Plan of Demutualization and Amended and Restated Articles of Incorporation of Trigon Healthcare, Inc.;

AND THE COMMISSION, having reviewed the filing and finding that said filing complies with the Commission's aforesaid provisional order dated October 28, 1996, is of the opinion and finds that the Application herein should be approved by final order of the Commission;

THEREFORE, IT IS ORDERED that the Application of Blue Cross and Blue Shield of Virginia for approval of a plan of demutualization and conversion from a mutual insurance company to a stock company, as amended and set forth in the aforesaid filing made with the Clerk of the Commission on November 1, 1996, be, and it is hereby, APPROVED.

CASE NO. INS950104
SEPTEMBER 11, 1996

APPLICATION OF
VIRGINIA BIRTH-RELATED NEUROLOGICAL INJURY COMPENSATION PROGRAM

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

ORDER APPROVING AMENDED PLAN OF OPERATION

ON A FORMER DAY came the Virginia Birth-Related Neurological Injury Compensation Program, by its administrator, and, pursuant to Virginia Code § 38.2-5017, filed with the Clerk of the Commission an amended plan of operation. The original plan of operation was approved by the Commission by order dated November 27, 1987, in Case No. INS870294.

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

NOTE: A copy of Attachment A entitled "Virginia Birth-Related Neurological Injury Compensation Program Plan of Operation" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. INS950106
MARCH 21, 1996

PETITION OF
MR. AND MRS. ROOSEVELT TURNER

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

ORDER ADOPTING FINAL REPORT OF HEARING EXAMINER

BY ORDER entered herein September 12, 1995, the Commission assigned the claim of Petitioners herein to a hearing examiner to conduct all further proceedings and to file with the Commission a report and recommendation on petitioners' claim; and

THE HEARING EXAMINER assigned to this matter has conducted a hearing at which all parties appeared and has filed with the Commission a report and recommendation; and counsel for the Deputy Receiver has subsequently filed with the Commission comments on the report of the Hearing Examiner;

AND THE COMMISSION, having considered the report of the Hearing Examiner and the comments of counsel for the Deputy Receiver, is of the opinion that the report of the Hearing Examiner together with the reasons set forth therein should be adopted by the Commission.

THEREFORE, IT IS ORDERED THAT:

(1) The Report of the Hearing Examiner herein be, and it is hereby, ADOPTED by the Commission as its own;

(2) The Determination of Appeal of the Deputy Receiver be, and it is hereby, REVERSED; and

(3) The Deputy Receiver shall process and pay the Petitioners' claim as a major structural defect claim under the provisions of the Petitioners' Home Owners Warranty Corporation Insurance/Warranty documents.

CASE NO. INS950121
MARCH 13, 1996

PETITION OF
ARNOLD R. AND ESTELLE LIEBERMAN

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

FINAL ORDER

WHEREAS, on July 27, 1995, Arnold R. and Estelle Lieberman ("Petitioners") filed a Petition with the Clerk of the Commission contesting the Deputy Receiver's Determination of Appeal in Claim No. 3333285;

WHEREAS, on October 3, 1995, the Commission assigned a Hearing Examiner to conduct all further proceedings in this matter, including ruling on a second petition filed by the Petitioners on September 18, 1995, as well as ruling on a Motion to Dismiss which had previously been filed by the Deputy Receiver;

WHEREAS, by Hearing Examiner Rulings dated October 10 and 11, 1995, the second petition filed by the Petitioners was consolidated into this docket without objection by the Deputy Receiver and the Deputy Receiver's Motion to Dismiss was denied;

WHEREAS, on December 21, 1995, a telephonic hearing was held where the Petitioner and the Deputy Receiver were provided an opportunity to introduce testimony and evidence in support of their respective positions and provided an opportunity to cross-examine on the evidence proffered by the other party;

WHEREAS, on January 4, 1996, the Commission's Senior Hearing Examiner filed his report, wherein he found that the Petitioners' claims should be denied and recommended that the Commission enter an order (i) adopting his findings; (ii) affirming the Deputy Receiver's and Special Deputy Receiver's denial of the Petitioners' claim; and (iii) dismissing this case and passing the papers to the file for ended causes;

THE COMMISSION, having considered the record herein and the report and the recommendation of its Senior Hearing Examiner, adopts the Senior Hearing Examiner's findings as its own;

THEREFORE, IT IS ORDERED THAT:

(1) The Petitions of Arnold R. and Estelle Lieberman for review of the Special Deputy Receiver's Notice of Claim Determination and the Deputy Receiver's Determination of Appeal be, and they are hereby, DENIED;

(2) The Special Deputy Receiver's Notice of Claim Determination issued on August 28, 1995, and the Deputy Receiver's Determination of Appeal dated July 14, 1995, be, and they are hereby, AFFIRMED; and

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

CASE NO. INS950133
APRIL 5, 1996

PETITION OF
PETER AND JUDITH R. SPULER

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

FINAL ORDER

WHEREAS, on August 18, 1995, Peter and Judith R. Spuler ("Petitioners") filed a Petition with the Clerk of the Commission contesting the Deputy Receiver's Determination of Appeal in Claim No. 3744144;

WHEREAS, on October 3, 1995, the Commission assigned a Hearing Examiner to conduct all further proceedings including ruling on a Motion to Dismiss which had previously been filed by the Deputy Receiver;

WHEREAS, on October 25, 1995, the Hearing Examiner denied the Deputy Receiver's Motion to Dismiss;

WHEREAS, on December 19, 1995, the Deputy Receiver filed a Motion for Summary Judgment, requesting a summary judgment on the basis that the defect alleged by Petitioners was not covered under the Major Structural Defect coverage of the HOW Program;

WHEREAS, Petitioners did not file a response to the Deputy Receiver's Motion for Summary Judgment;

WHEREAS, on January 24, 1996, the Hearing Examiner filed her Final Report, wherein the Hearing Examiner found that the Petitioner's claim should be denied and recommended that the Deputy receiver's Motion for Summary Judgment be granted and the Deputy Receiver's Determination of Appeal in Claim No. 3744144 be affirmed; and

THE COMMISSION, having considered the record herein, the comments filed by Petitioners and the Deputy Receiver, and the report of and recommendation of its Hearing Examiner, adopts the Hearing Examiner's findings as its own;

THEREFORE, IT IS ORDERED THAT:

(1) The Deputy Receiver's Motion for Summary Judgment be, and it is hereby, GRANTED;

(2) The Petition of Peter and Judith R. Spuler for review of the Deputy Receiver's Determination of Appeal be, and it is hereby, DENIED;

(3) The Deputy Receiver's Determination of Appeal issued on July 6, 1995, be, and it is hereby, AFFIRMED; and

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

CASE NO. INS950146
MARCH 18, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
NATIONAL FRATERNAL SOCIETY OF THE DEAF,
Defendant

FINAL ORDER

WHEREAS, by order entered herein September 28, 1995, Defendant's license to transact the business of insurance in the Commonwealth of Virginia was suspended;

WHEREAS, Defendant's 1995 Annual Statement filed with the Bureau of Insurance indicates that Defendant has restored its surplus to the minimum amount required by Virginia law;

WHEREAS, the Bureau of Insurance has recommended that the order entered by the Commission suspending Defendant's license be vacated; and

THE COMMISSION, having considered the record herein and the recommendation of the Bureau of Insurance, is of the opinion that the Order Suspending License entered by the Commission should be vacated;

THEREFORE, IT IS ORDERED THAT:

(1) The Order Suspending License entered herein on September 28, 1995, be, and it is hereby, VACATED; and

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

CASE NO. INS950168
JULY 31, 1996

PETITION OF
SAM CASTRINOS

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

FINAL ORDER

WHEREAS, on October 2, 1995, Sam Castrinos ("Petitioner") filed a petition with the Clerk of the State Corporation Commission contesting the Deputy Receiver's Determination of Appeal in Claim No. 0854239-D, denying Petitioner's claim for coverage under his homeowners warranty insurance policy;

WHEREAS, on October 6, 1995, the Commission docketed the petition and appointed a Hearing Examiner to conduct all further proceedings;

WHEREAS, on February 26, 1996, a telephonic hearing was held where the Petitioner and the Deputy Receiver were provided an opportunity to introduce testimony and evidence in support of their respective positions and to cross-examine the evidence proffered by the other party;

WHEREAS, on June 14, 1996, the Hearing Examiner filed her Final Report, wherein the Hearing Examiner found that the Petitioner's claim should be denied and recommended that the Commission enter an Order: (i) adopting her findings; (ii) affirming the Deputy Receiver's denial of Claim No. 0854239-D; and (iii) dismissing this case from the Commission's docket of active matters;

THE COMMISSION, having considered the record herein and the report of and recommendation of its Hearing Examiner, adopts the Hearing Examiner's findings as its own;

THEREFORE, IT IS ORDERED THAT:

(1) The Petition of Sam Castrinos for review of the Deputy Receiver's Determination of Appeal be, and it is hereby, DENIED;

(2) The Deputy Receiver's Determination of Appeal issued on August 24, 1995, be, and it is hereby, AFFIRMED, and

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

CASE NO. INS950169
MARCH 4, 1996

PETITION OF
JERRY AND JOYCE REDDING

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

FINAL ORDER

WHEREAS, on October 2, 1995, Jerry and Joyce Redding ("Petitioners") filed a Petition with the Clerk of the Commission contesting the Deputy Receiver's Determination of Appeal in Claim No. 1565966-A;

WHEREAS, on October 6, 1995, the Commission assigned a Hearing Examiner to conduct all further proceedings in this matter;

WHEREAS, on November 30, 1995, the Deputy Receiver filed a Motion to Dismiss, and the Petitioners filed a response to the motion on December 29, 1995;

WHEREAS, by Hearing Examiner's Report dated January 5, 1996, the Hearing Examiner found that the Deputy Receiver's Motion to Dismiss should be granted and recommended that the Commission enter an order dismissing the Petition for Appeal and affirming the Deputy Receiver's Determination of Appeal in Claim No. 1565966-A;

THE COMMISSION, having considered the record herein and the report and the recommendation of its Hearing Examiner, adopts the Hearing Examiner's findings as its own;

THEREFORE, IT IS ORDERED THAT:

(1) The Deputy Receiver's Motion to Dismiss be, and it is hereby, GRANTED.

(2) The Petition of Jerry and Joyce Redding for review of the Deputy Receiver's Determination of Appeal be, and it is hereby, DENIED.

(3) The Deputy Receiver's Determination of Appeal issued on August 14, 1995, be, and it is hereby, AFFIRMED.

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

CASE NO. INS950177
APRIL 10, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
TIMOTHY J. MCCARTY, SR.,
Defendant

ORDER REVOKING LICENSE

IT APPEARING from an investigation by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia as an insurance agent, in certain instances, violated Virginia Code § 38.2-1813 by failing to account for and pay in the ordinary course of business premiums collected on behalf of a certain insurer;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-1831 to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendant's license upon a finding by the Commission, after notice and hearing, that Defendant has committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendant has been notified of Defendant's right to a hearing before the Commission in this matter by certified letter dated February 27, 1996, and mailed to the Defendant's address shown in the records of the Bureau of Insurance;

IT FURTHER APPEARING that Defendant, having been advised in the aforesaid manner of his right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau of Insurance;

IT FURTHER APPEARING that the Bureau of Insurance, upon Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent; and

THE COMMISSION is of the opinion and finds that Defendant has violated Virginia Code § 38.2-1813 by failing to account for and pay in the ordinary course of business premiums collected on behalf of a certain insurer;

THEREFORE, IT IS ORDERED THAT:

(1) The licenses of Defendant to transact the business of insurance as an agent in the Commonwealth of Virginia be, and they are hereby, revoked;

(2) All appointments issued under said licenses be, and they are hereby, void;

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

(4) Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to two (2) years from the date of this order;

(5) The Bureau of Insurance cause a copy of this order to be sent to every insurance company for which Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

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

CASE NO. INS950180
FEBRUARY 12, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
AMERICAN DIVERSIFIED INSURANCE COMPANY
and
AMERICAN DIVERSIFIED FINANCIAL SERVICES, INC.,
Defendants

JUDGMENT ORDER

WHEREAS, on February 7, 1996, pursuant to a Rule to Show Cause entered herein, the Commission conducted a hearing for the purpose of receiving evidence whether Defendants transacted the business of insurance in the Commonwealth of Virginia in violation of Virginia Code §§ 38.2-1024 and 38.2-1859; and

THE COMMISSION, having considered the evidence and testimony adduced at the aforesaid hearing, finds that Defendants transacted the business of surety insurance in the Commonwealth of Virginia without first obtaining the appropriate licenses from the Commission;

THEREFORE, IT IS ORDERED THAT:

(1) Defendants are hereby permanently enjoined from transacting the business of insurance in the Commonwealth of Virginia; and

(2) Defendants are each penalized the sum of five thousand dollars ($5,000), which sum Defendants shall pay to the Clerk of the Commission within thirty days from the date of this order.

CASE NO. INS950197
MARCH 15, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
EMERALD FINANCIAL SERVICES, INC.,
DAVID M. NOVICK, ATTORNEY-IN-FACT for EMERALD FINANCIAL SERVICES, INC.,
and
JOEL S. WISSE, ATTORNEY-IN-FACT for EMERALD FINANCIAL SERVICES, INC.,
Defendants

ORDER TO TAKE NOTICE

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

IT IS ORDERED THAT Defendants TAKE NOTICE that the Commission shall enter a Judgment Order subsequent to March 29, 1996, permanently enjoining Defendants from transacting the business of insurance in the Commonwealth of Virginia, and penalizing Defendants the sum of five thousand dollars ($5,000) for each violation of Virginia Code § 38.2-1024, unless on or before March 29, 1996, Defendants file with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, a responsive pleading and a request for a hearing.

CASE NO. INS950197
AUGUST 5, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
EMERALD FINANCIAL SERVICES, INC.,
DAVID M. NOVICK, ATTORNEY-IN-FACT for EMERALD FINANCIAL SERVICES, INC.,
and
JOEL S. WISSE, ATTORNEY-IN-FACT for EMERALD FINANCIAL SERVICES, INC.,
Defendants

JUDGMENT ORDER

WHEREAS, by order entered herein March 15, 1996, Defendants were ordered to take notice that the Commission would enter a Judgment Order subsequent to March 29, 1996, permanently enjoining Defendants from transacting the business of insurance in the Commonwealth of Virginia, and penalizing Defendants the sum of five thousand dollars ($5,000) for each violation of Virginia Code § 38.2-1024, unless on or before March 29, 1996, Defendants filed with the Clerk of the Commission a responsive pleading and a request for a hearing;

WHEREAS, as of the date of this order, Defendant, Emerald Financial Services, Inc. has failed to file a responsive pleading to object to the entry of a Judgment Order, or a request for a hearing; and Defendants, David M. Novick and Joel S. Wisse, have made an offer of settlement to the Commission wherein they have agreed to obtain licenses to transact the business of insurance in the Commonwealth of Virginia and have agreed to the entry of this Judgment Order; and

THE COMMISSION, having considered the pleadings and the settlement offers filed herein, finds that Defendant, Emerald Financial Services, Inc. violated Virginia Code § 38.2-1024 by transacting the business of surety insurance in the Commonwealth of Virginia without first obtaining a license from the Commission, and the Commission further finds that the settlement offers of Defendants, David M. Novick and Joel S. Wisse, should be accepted;

THEREFORE, IT IS ORDERED THAT:

(1) Emerald Financial Services, Inc. be, and it is hereby, permanently enjoined from transacting the business of insurance in the Commonwealth of Virginia;

(2) Emerald Financial Services, Inc. be, and it is hereby, penalized the sum of ten thousand dollars ($10,000)for violating Virginia Code § 38.2-1024, which sum Emerald Financial Services, Inc. shall pay to the Clerk of the Commission within thirty days from the date of this order;

(3) The offer of David M. Novick in settlement of the matter set forth herein be, and it is hereby, accepted;

(4) David M. Novick shall cease and desist from any conduct which constitutes a violation of Virginia Code § 38.2-1024;

(5) The offer of Joel S. Wisse in settlement of the matter set forth herein be, and it is hereby, accepted;

(6) Joel S. Wisse shall cease and desist from any conduct which constitutes a violation of Virginia Code § 38.2-1024; and

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

CASE NOS. INS950206 and INS950208
MAY 10, 1996

PETITION OF
BOXLEY, BOLTON & GARBER

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

and

PETITION OF
BOXLEY, BOLTON & GARBER

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

FINAL ORDER

WHEREAS, on November 7, 1995, the law firm of Boxley, Bolton & Garber ("Petitioner") filed two Petitions with the Clerk of the Commission contesting the Deputy Receiver's Determination of Appeal in Claim Numbers 370 and 388 in which Petitioner was denied compensation for legal services rendered to HOW Insurance Company between March 1994 and October 1994;

WHEREAS, on December 11, 1995, the Commission docketed the Petitions and appointed a Hearing Examiner to conduct all further proceedings in this matter;

WHEREAS, on January 19, 1996, the Deputy Receiver filed an Answer, a Motion to Dismiss, and a Memorandum in Support of the Motion to Dismiss the two Petitions. On February 13, 1996, Petitioner filed its Response to the Motion to Dismiss;

WHEREAS, on April 15, 1996, the Hearing Examiner filed her Final Report, wherein the Hearing Examiner found that Petitioner's claims should be denied and recommended that the Commission enter an order (i) consolidating Case Nos. INS950206 and INS950208; (ii) affirming the Deputy Receiver's Determination of Appeal with respect to Claim Nos. 370 and 388; and (iii) dismissing the Petitioner's appeals without prejudice to seek payment after all priority claims are paid in full;

THE COMMISSION, having considered the record herein and the report of and the recommendation of its Hearing Examiner, adopts the hearing Examiner's findings as its own;

THEREFORE, IT IS ORDERED THAT:

(1) Case Numbers INS950206 and INS950208 be, and they are hereby, consolidated for purposes of this Final Order;

(2) The Deputy Receiver's Determination of Appeal with respect to Claim Numbers 370 and 388 be, and they are hereby, AFFIRMED;

(3) The Petitioner's appeals be, and they are hereby, DISMISSED, without prejudice, to seek payment after all priority claims are paid in full; and

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

CASE NO. INS950217
APRIL 11, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
AMERICAN GENERAL LIFE AND ACCIDENT INSURANCE COMPANY, 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, 38.2-1040 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 thirty thousand dollars ($30,000), 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 THAT:

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

(2) Defendants cease and desist from any conduct which constitutes a violation of Virginia Code § 38.2-1805.A; and

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

CASE NO. INS950224
MARCH 14, 1996

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

ORDER TO TAKE NOTICE

WHEREAS, Virginia Code § 38.2-1040 provides, inter alia, that the Commission may suspend or revoke the license of any insurance company to transact the business of insurance in the Commonwealth of Virginia whenever the Commission finds that the company is insolvent, or 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 November 27, 1995, Defendant was ordered to eliminate the impairment in it surplus and restore the same to at least $3,000,000 and advise the Commission of the accomplishment thereof by affidavit of Defendant's president or other authorized officer on or before January 12, 1996; and

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

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to March 29, 1996, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before March 29, 1996, Defendant files with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, a request for a hearing before the Commission with respect to the proposed suspension of Defendant's license.

CASE NO. INS950224
APRIL 2, 1996

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

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein March 14, 1996, Defendant was ordered to take notice that the Commission would enter an order subsequent to March 29, 1996, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before March 29, 1996, Defendant filed with the Clerk of the Commission a request for a hearing before the Commission to contest the proposed suspension of Defendant's license; and

WHEREAS, as of the date of this Order, Defendant has not filed a request to be heard before the Commission with respect to the proposed suspension of Defendant's license;

THEREFORE, IT IS ORDERED THAT:

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

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

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

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

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

CASE NO. INS950224
APRIL 11, 1996

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

VACATING ORDER

GOOD CAUSE having been shown, the order suspending license entered herein March 14, 1996, is hereby, VACATED.

CASE NO. INS950225
FEBRUARY 5, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
STATESMAN NATIONAL LIFE INSURANCE COMPANY

ORDER SUSPENDING LICENSE

WHEREAS, by affidavit of Defendant's president, Defendant has voluntarily consented to a suspension of its license to transact the business of insurance in Virginia;

THEREFORE, IT IS ORDERED THAT:

(1) 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.

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

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

(5) The Bureau of Insurance shall cause and 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.

(6) 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. INS950237
MARCH 8, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
GARRY M. CALLIS,
Defendant

ORDER REVOKING LICENSE

IT APPEARING from an investigation by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia as an insurance agent, in certain instances, violated Virginia Code § 38.2-1813 by failing to hold collected premiums in a fiduciary capacity, and by failing to remit in the ordinary course of business premiums collected on behalf of a certain insurer;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-1831 to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendant's license upon a finding by the Commission, after notice and hearing, that Defendant has committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendant has been notified of Defendant's right to a hearing before the Commission in this matter by certified letter dated January 31, 1996 and mailed to the Defendant's address shown in the records of the Bureau of Insurance;

IT FURTHER APPEARING that Defendant, having been advised in the aforesaid manner of his right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau of Insurance;

IT FURTHER APPEARING that the Bureau of Insurance, upon Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent; and

THE COMMISSION is of the opinion and finds that Defendant has violated Virginia Code § 38.2-1813 by failing to hold collected premiums in a fiduciary capacity, and by failing to remit in the ordinary course of business premiums collected on behalf of a certain insurer;

THEREFORE, IT IS ORDERED THAT:

(1) The licenses of Defendant to transact the business of insurance as an agent in the Commonwealth of Virginia be, and they are hereby, revoked;

(2) All appointments issued under said licenses be, and they are hereby, void;

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

(4) Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to two (2) years from the date of this order;

(5) The Bureau of Insurance cause a copy of this order to be sent to every insurance company for which Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

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

CASE NO. INS950237
MARCH 25, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
GARRY M. CALLIS,
Defendant

FINAL ORDER

WHEREAS, by order entered herein March 8, 1996, the Commission revoked Defendant's license to transact the business of insurance in the Commonwealth of Virginia as an insurance agent;

WHEREAS, Defendant subsequently made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of two hundred fifty dollars ($250), has waived his right to a hearing and has agreed to the entry by the Commission of a cease and desist order;

WHEREAS, the Bureau of Insurance has recommended that the order entered by the Commission revoking Defendant's license be vacated and that Defendant's offer of settlement be accepted; and

THE COMMISSION, having considered the record herein and the recommendation of the Bureau of Insurance, is of the opinion that the Order Revoking License entered by the Commission herein should be vacated and that the Defendant's offer of settlement should be accepted pursuant to the authority granted the Commission in Virginia Code § 12.1-15,

THEREFORE, IT IS ORDERED THAT:

(1) The Order Revoking License entered herein on March 8, 1996, be, and it is hereby, VACATED;

(2) The offer of Defendant in settlement of this matter set forth herein be, and it is hereby, accepted;

(3) Defendant shall cease and desist from any conduct which constitutes a violation of Virginia Code § 38.2-1813; and

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

CASE NO. INS950238
JULY 31, 1996

PETITION OF
CADE HOMES, INC.

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

FINAL ORDER

WHEREAS, on December 6, 1995, Cade Homes, Inc. ("Petitioner") filed a petition with the Clerk of the State Corporation Commission contesting the Deputy Receiver's Determination of Appeal in Claim No. Z8508, wherein the Deputy Receiver held Petitioner responsible for repairs to correct problems associated with wet and leaking basement block walls in a home Petitioner built and enrolled in the HOW program:

WHEREAS, on December 19, 1995, the Commission docketed the petition and assigned a Hearing Examiner to conduct all further proceedings;

WHEREAS, on May 24, 1996, the Deputy Receiver filed a Motion for Summary Judgment which was not responded to by the Petitioner;

WHEREAS, on June 14, 1996, the Hearing Examiner denied the Deputy Receiver's Motion for Summary Judgment;

WHEREAS, on June 19, 1996, a telephonic hearing was held where the Petitioner and the Deputy Receiver were provided an opportunity to introduce evidence in support of their respective positions and provided an opportunity to cross-examine the evidence proffered by the other party;

WHEREAS, on June 27, 1996, the Hearing Examiner filed her Final Report, wherein the Hearing Examiner found that the Petitioner was not responsible for maintaining grades or leaks caused by the homeowner's failure to maintain grade pitch away from the home and recommended that the Commission enter an order (i) reversing the Deputy Receiver's Determination of Appeal; and (ii) finding that the Petitioner is not responsible for leaks caused by failure to maintain proper grades;

THE COMMISSION, having considered the record herein and the report of and the recommendation of its Hearing Examiner, adopts the Hearing Examiner's findings as its own;

THEREFORE, IT IS ORDERED THAT:

(1) The Petition of Cade Homes, Inc. for review of the Deputy Receiver's Determination of Appeal be, and it is hereby, GRANTED;

(2) The Deputy Receiver's Determination of Appeal issued on November 7, 1995, be, and it is hereby, REVERSED; and

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

CASE NO. INS950259
JANUARY 25, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
UNITED STATES FIDELITY & GUARANTY COMPANY,
FIDELITY AND GUARANTY INSURANCE UNDERWRITERS, INC., AND
FIDELITY AND GUARANTY INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendants, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, may have violated certain provisions of the Code of Virginia to wit: United States Fidelity & Guaranty Company violated Virginia Code §§ 38.2-231, 38.2-304, 38.2-305, 38.2-317, 38.2-510.A.6, 38.2-510.A.10, 38.2-511, 38.2-610, 38.2-1318, 38.2-1904, 38.2-1905, 38.2-1906, 38.2-1908, 38.2-2005, 38.2-2014, 38.2-2113, 38.2-2114, 38.2-2119,, 38.2-2202, 38.2-2206, 38.2-2208, 38.2-2210, 38.2-2212 and 28.2-2220, as well as Section 4.4 of the Commission's Rules Governing Insurance Premium Finance Companies and Sections 5.A, 8.D and 9.D of the Commission's Rules Governing Unfair Claim Settlement Practices; Fidelity and Guaranty Insurance Underwriters, Inc. violated Virginia Code §§ 38.2-231, 38.2-304, 38.2-510.A.6, 38.2-510.A.10, 38.2-1318, 38.2-1904, 38.2-1905, 38.2-1908, 38.2-2014, 38.2-2113, 38.2-2114, 38.2-2208, 38.2-2210 and 38.2-2212, as well as Section 4.4 of the Commission's Rules Governing Insurance Premium Finance Companies and Sections 5.A, 8.D and 9.D of the Commission's Rules Governing Unfair Claim Settlement Practices; Fidelity and Guaranty Insurance Company violated Virginia Code §§ 38.2-231, 38.2-304, 38.2-317, 38.2-510.A.6, 38.2-510.A.10, 38.2-1318, 38.2-1904, 38.2-1906, 38.2-1908, 38.2-2014, 38.2-2113, 38.2-2114, 38.2-2208 and 38.2-2210, as well as Sections 5.A, 8.D and 9.D of the Commission's Rules Governing Unfair Claim Settlement Practices;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-1040 to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendants' licenses upon a finding by the Commission, after notice and opportunity to be heard, that Defendants have committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendants have been advised of their right to a hearing in this matter, whereupon Defendants have made an offer of settlement to the Commission wherein Defendants have tendered to the Commonwealth of Virginia the sum of sixty-two thousand dollars ($62,000) and have waived their right to a hearing; and

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

IT IS ORDERED THAT:

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

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

CASE NO. INS960001
SEPTEMBER 19, 1996

PETITION OF
EMERALD TEXAS, INC.

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

FINAL ORDER

WHEREAS, on December 15, 1995, Emerald Texas, Inc. (Petitioner) filed a Petition with the Clerk of the State Corporation Commission contesting the Deputy Receiver's Determination of Appeal in Claim No. 415: (i) denying the return of a $100,000 certificate of deposit ("CD"); (ii) denying the payment of the interest from the CD to Emerald Texas, Inc.; and (iii) denying a request to substitute a letter of credit for the CD;

WHEREAS, on January 5, 1996, the Commission docketed the Petition, assigned a Hearing Examiner to conduct all further proceedings, and directed the Deputy Receiver to file an Answer or other responsive pleading to the Petition;

WHEREAS, on February 16, 1996, the Deputy Receiver filed an Answer to the Petition;

WHEREAS, on May 28, 1996, the Deputy Receiver filed a Motion for Summary Judgment and a Memorandum in Support of Motion for Summary Judgment;

WHEREAS, on May 31, 1996, Petitioner responded to the Deputy Receiver's Motion for Summary Judgment by filing a Motion to Dismiss Deputy Receiver's Motion for Summary Judgment and a Motion for Summary Judgment in Petitioner's favor;

WHEREAS, on June 3, 1996, the Hearing Examiner denied both parties' Motions for Summary Judgment;

WHEREAS, on June 5, 1996, a telephonic hearing was held where the Petitioner and the Deputy Receiver were provided an opportunity to introduce testimony and evidence in support of their respective positions and to cross-examine the evidence proffered by the other party;

WHEREAS, on July 22, 1996, the Hearing Examiner filed her Final Report, wherein the Hearing Examiner found that the loss reserve deposit provided by Petitioner was held in trust by he HOW companies for Emerald Texas, Inc., and that the Petitioner had the right to submit an unconditional irrevocable letter of credit to HOW in lieu of the CD. The Hearing Examiner recommended that the Commission enter an order: (i) reversing the Deputy Receiver's Determination of Appeal; (ii) finding that Petitioner may submit to HOW, in lieu of the CD, an unconditional irrevocable letter of credit for benefit of the insurer; and (iii) finding that Petitioner is entitled to the return of its cash loss reserve deposit along with any interest now held in trust by the HOW companies.

WHEREAS, on August 13, 1996, Petitioner and Deputy Receiver filed comments to the Hearing Examiner's Final Report;

THE COMMISSION, having considered the record herein, the report and recommendation of its Hearing Examiner, and the comments to the Hearing Examiner's Final Report, adopts the Hearing Examiner's findings as its own;

THEREFORE, IT IS ORDERED THAT:

(1) The Petition of Emerald Texas, Inc. for review of the Deputy Receiver's Determination of Appeal be, and it is hereby, GRANTED;

(2) The Deputy Receiver's Determination of Appeal issued on November 16, 1995, be, and it is hereby, REVERSED; and

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

CASE NO. INS960004
JANUARY 25, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
AMERICAN HOME SHIELD OF VIRGINIA, INC.,
Defendant

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, may have violated Virginia Code §§ 38.2-305.A., 38.2-305.B, 38.2-511, 38.2-2608.A, 38.2-2608.B.2.e, 38.2-2608.D.2, and 38.2-2612.1, as well as Section 8.A of the Commission's Rules Governing Unfair Claim Settlement Practices;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218 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 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 THAT:

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

(2) Defendant cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-305.A., 38.2-305.B, 38.2-511, 38.2-2608.A, 38.2-2608.B.2.e, 38.2-2608.D.2, or 38.2-2612.1, as well as Section 8.A of the Commission's Rules Governing Unfair Claim Settlement Practices; and

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

CASE NO. INS960006
JANUARY 4, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
GROUP HOSPITALIZATION AND MEDICAL SERVICES, INC.
d/b/a BLUE CROSS BLUE SHIELD OF THE NATIONAL CAPITAL AREA,
Defendant

ORDER ACCEPTING OFFER OF SETTLEMENT

IT APPEARING from the report on a special market conduct review conducted by the Bureau of Insurance that the Defendant is alleged, in certain instances, to have violated Virginia Code §§ 38.2-503 and 38.2-510.A.1 with respect to the handling of its coinsurance payment program; and

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 under appropriate circumstances upon a finding by the Commission, after notice and opportunity to be heard, that the Defendant has committed such violations; and

IT FURTHER APPEARING that the Defendant has been advised of its right to a hearing in this matter, but that without admitting the allegations of the Bureau of Insurance in its aforesaid report, the Defendant has made an offer of compromise to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of Seven Thousand Five Hundred Dollars ($7,500) and has agreed to institute and conduct a Coinsurance Refund Program as set forth in the documents which are attached hereto and made a part hereof, and has waived its right to a hearing upon the acceptance of such offer by the Commission; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement the Defendant has set forth in the documents attached hereto pursuant to the authority granted to the Commission in Virginia Code § 12.1-15,

IT IS ORDERED:

(1) That the offer of the Defendant, as set forth in the documents attached hereto, in settlement of the aforesaid allegations of the Bureau of Insurance, be, and it is hereby, ACCEPTED;

(2) That the Defendant fully comply with its undertaking set forth herein;

(3) That the Defendant cease and desist from future violations of Virginia Code §§ 38.2-503 and 38.2-510.A.1; and

(4) That the Commission shall retain jurisdiction in this matter pending receipt of the verification report of the Bureau of Insurance staff, which report shall be filed with the Commission within thirty (30) days of the entry of this Order.

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

CASE NO. INS960009
MARCH 12, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
DONALD E. KIDWELL
and
CONSUMERS TITLE AGENCY, 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 certain funds in a fiduciary capacity, account for the funds, and pay in the ordinary course of business the funds to the insured or his assignee, insurer, insurance premium finance company, or agent entitled to the payment;

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 agreed to comply with the terms of a settlement agreement made with Fidelity National Title Insurance Company of New York, 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 THAT:

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

(2) Defendants cease and desist from any conduct which constitutes a violation of Virginia Code § 38.2-1813; and

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

CASE NO. INS960013
FEBRUARY 21, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
KAISER FOUNDATION HEALTH PLAN OF THE MID-ATLANTIC STATES, INC.,
Defendant

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, may have violated Virginia Code §§ 38.2-502.1, 38.2-503 and 38.2-4312.A, as well as Sections 5.A, 5.B, 6.A(1), 6.A(2), 6.B(1), 9.A, 9.C, 10.A, 11, 13.A and 16 of the Commission's Rules Governing Advertisement of Accident and Sickness Insurance;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-4316 to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that Defendant has committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of twenty-seven thousand dollars ($27,000) 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 THAT:

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

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

CASE NO. INS960014
APRIL 10, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
DANIEL ABBOTT
and
BENEFICIAL INSURANCE AGENCY, 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 §§ 38.2-502, 38.2-512, 38.2-1804, 38.2-1813, 38.2-1822, and 38.2-2045, as well as Sections 1.A, 1.B, and 2.A of the Commission's Rules Governing Life Insurance and Annuity Marketing Practices;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-1831 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 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 THAT:

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

(2) Defendants cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-502, 38.2-512, 38.2-1804, 38.2-1813, 38.2-1822, or 38.2-2045, as well as Sections 1.A, 1.B, or 2.A of the Commission's Rules Governing Life Insurance and Annuity Marketing Practices; and

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

CASE NO. INS960027
NOVEMBER 18, 1996

PETITION OF
BURNSIDE CONSTRUCTION COMPANY

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

FINAL ORDER

WHEREAS, on December 18, 1995, Burnside Construction Company ("Petitioner") filed a Petition with the Clerk of the Commission contesting the Deputy Receiver's Determination of Appeal in Claim No. 0901;

WHEREAS, on January 31, 1996, the Commission docketed the Petition, assigned a Hearing Examiner to conduct all further proceedings, and directed the Deputy Receiver to file an Answer or other responsive pleading to the Petition on or before March 29, 1996;

WHEREAS, on March 29, 1996, the Deputy Receiver filed an Answer to the Petition;

WHEREAS, on April 11, 1996, by Hearing Examiner's Ruling, George S. Turochi and Susie M. Spangler ("the Homeowners") were joined as necessary parties to the proceeding;

WHEREAS, on August 1, 1996, a telephonic hearing was held where the Petitioner, Deputy Receiver and the Homeowners were provided an opportunity to introduce evidence in support of their respective positions and to cross-examine the evidence proffered by the other parties. Additionally, during the hearing, the Deputy Receiver moved by oral motion to exclude the testimony of certain witnesses of the Petitioner. The Hearing Examiner received the witnesses' testimony subject to the Deputy Receiver's Motion to Exclude;

WHEREAS, on September 18, 1996, the Senior Hearing Examiner filed his Final Report, wherein the Senior Hearing Examiner denied the Deputy Receiver's Motion to Exclude, found that Petitioner was responsible for replacing the siding and repairing the basement leaks in the Homeowner's home, and recommended that the Commission enter an order affirming the Deputy Receiver's Determination of Appeal;

THE COMMISSION, having considered the record herein and the report and recommendation of its Hearing Examiner, adopts the Hearing Examiner's findings as its own;

THEREFORE, IT IS ORDERED THAT:

(1) The Petition of Burnside Construction Company for review of the Deputy Receiver's Determination of Appeal be, and it is hereby, DENIED;

(2) The Deputy Receiver's Determination of Appeal issued in Claim No. 0901 be, and it is hereby, AFFIRMED; and

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

CASE NO. INS960029
AUGUST 20, 1996

PETITION OF
DANIEL E. WENDT

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

FINAL ORDER

WHEREAS, on December 1, 1995, Daniel E. Wendt (Petitioner) filed a Petition with the Clerk of the State Corporation Commission contesting the Deputy Receiver's Determination of Appeal in Claim No. 4022911-A, denying the Petitioner's claim for coverage under his homeowners warranty insurance policy;

WHEREAS, on January 31, 1995, the Commission docketed the Petition, assigned the matter to a Hearing Examiner and directed the Deputy Receiver to File an Answer or other responsive pleading to the Petition on or before April 5, 1996;

WHEREAS, on April 1, 1996, the Deputy Receiver filed a Motion to Dismiss and Answer to the Petition, and a Memorandum in Support of the Motion to Dismiss;

WHEREAS, on June 17, 1996, Petitioner filed his response to the Deputy Receiver's Motion to Dismiss;

WHEREAS, on July 25, 1996, the Hearing Examiner filed his Final Report, wherein the Hearing Examiner found that the Deputy Receiver's Motion to Dismiss should be granted and recommended that the Commission enter an order: (i) dismissing Petitioner's Petition for Appeal; and (ii) affirming the Deputy Receiver's Determination of Appeal issued on October 12, 1995;

THE COMMISSION, having considered the record herein and the report of and the recommendation of its Hearing Examiner, adopts the Hearing Examiner's findings as its own;

THEREFORE, IT IS ORDERED THAT:

(1) The Deputy Receiver's Motion to Dismiss be, and it is hereby, GRANTED;

(2) The Deputy Receiver's Determination of Appeal issued on October 12, 1995, be and it is hereby, AFFIRMED;

(3) The Petition of Daniel E. Wendt for the review of the Deputy Receiver's Determination of Appeal be, and it is hereby, DISMISSED; and

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

CASE NO. INS960030
NOVEMBER 26, 1996

PETITION OF
ROBERT AND ANITA GAGNE

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

FINAL ORDER

WHEREAS, on January 11, 1996, Robert and Anita Gagne ("Petitioners") filed a Petition with the Clerk of the State Corporation Commission contesting the Deputy Receiver's Determination of Appeal in Claim No. 3282027-A;

WHEREAS, on January 31, 1996, the Commission docketed the Petition, assigned a Hearing Examiner to conduct all further proceedings and directed the Deputy Receiver to file an Answer or other responsive pleading to the Petition on or before April 5, 1996;

WHEREAS, on April 1, 1996, the Deputy Receiver filed an Answer and Motion to Dismiss asserting, inter alia, that Petitioners' claim was filed untimely with the HOW Companies under the terms of the HOW Warranty Program, and on April 17, 1996, Petitioners filed their Response to the Motion to Dismiss;

WHEREAS, on June 21, 1996, the Hearing Examiner denied the Deputy Receiver's Motion to Dismiss;

WHEREAS, on October 3, 1996, a telephonic hearing was held where the Petitioners and the Deputy Receiver were provided an opportunity to introduce evidence in support of their respective positions and provided an opportunity to cross-examine the evidence proffered by the other party;

WHEREAS, on October 6, 1996, the Hearing Examiner filed her Final Report, wherein the Hearing Examiner found that the Deputy Receiver's claim determination must be affirmed;

THE COMMISSION, having considered the record herein, the report of and the findings of its Hearing Examiner, adopts the Hearing Examiner's findings as its own;

THEREFORE, IT IS ORDERED THAT:

(1) The Petition of Robert and Anita Gagne for review of the Deputy Receiver's Determination of Appeal, be, and it is hereby, DENIED;

(2) The Deputy Receiver's Determination of Appeal in Claim No. 3282027-A, issued on November 30, 1995, be, and it is hereby, AFFIRMED; and

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

CASE NO. INS960034
FEBRUARY 29, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

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

ORDER TO TAKE NOTICE

WHEREAS, Virginia Code § 12.1-13 provides that the Commission shall have the power to promulgate rules and regulations in the enforcement and administration of all laws within its jurisdiction, and Virginia Code § 38.2-223 provides that the Commission may issue any rules and regulations necessary or appropriate for the administration and enforcement of Title 38.2 of the Code of Virginia;

WHEREAS, the Bureau of Insurance has submitted to the Commission a proposed revised regulation entitled "Rules Governing Minimum Standards for Medicare Supplement Policies"; and

WHEREAS, the Commission is of the opinion that the proposed revised regulation should be adopted;

THEREFORE, IT IS ORDERED THAT:

(1) All interested persons TAKE NOTICE that the Commission shall enter an order subsequent to April 12, 1996, adopting the revised regulation proposed by the Bureau of Insurance unless on or before April 12, 1996, any person objecting to the adoption of such a regulation files a request for a hearing, and in such request specifies in detail their objection to the adoption of the proposed revised regulation, with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218;

(2) An attested copy hereof, together with a copy of the proposed revised regulation, be sent by the Clerk of the Commission to the Bureau of Insurance in care of Deputy Commissioner Gerald A. Milsky who shall forthwith give further notice of the proposed adoption of the regulation by mailing a copy of this order, together with a complete draft of the proposed regulation, to all insurers, health services plans, and health maintenance organizations licensed to write medicare supplement insurance in the Commonwealth of Virginia; and

(3) That the Bureau of Insurance shall file with the Clerk of the Commission an affidavit of compliance with the notice requirements of paragraph (2) above.

NOTE: A copy of Attachment A entitled "Rules Governing Minimum Standards for Medicare Supplement Policies" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. INS960034
APRIL 15, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

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

ORDER ADOPTING REGULATION

WHEREAS, by order entered herein February 29, 1996, all interested persons were ordered to take notice that the Commission would enter an order subsequent to April 12, 1996, adopting a revised regulation proposed by the Bureau of Insurance unless on or before April 12, 1996, any person objecting to the adoption of the regulation filed a request for a hearing with the Clerk of the Commission;

WHEREAS, as of the date of this order, no request for a hearing has been filed with the Clerk of the Commission;

THEREFORE, IT IS ORDERED that 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 April 28, 1996.

NOTE: A copy of Attachment A entitled "Rules Governing Minimum Standards for Medicare Supplement Policies" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. INS960048
JUNE 13, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
REBECCA S. LOOK,
Defendant

ORDER REVOKING LICENSE

IT APPEARING from an investigation by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia as an insurance agent, in certain instances, violated Virginia Code §§ 38.2-1805.A and 38.2-219.C by collecting payment of premiums in arrears on policies of life insurance or accident and sickness insurance which had lapsed, and by violating the cease and desist order entered by the Commission in Case No. INS920010;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-1831 to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendant's license upon a finding by the Commission, after notice and hearing, that Defendant has committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendant has been notified of Defendant's right to a hearing before the Commission in this matter by certified letter dated May 10, 1996 and mailed to the Defendant's address shown in the records of the Bureau of Insurance;

IT FURTHER APPEARING that Defendant, having been advised in the aforesaid manner of her right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau of Insurance;

IT FURTHER APPEARING that the Bureau of Insurance, upon Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent; and

THE COMMISSION is of the opinion and finds that Defendant has violated Virginia Code § 38.2-1805.A and 38.2-219.C by collecting payment of premiums in arrears on policies of life insurance or accident and sickness insurance which had lapsed, and by violating the cease and desist order entered by the Commission in Case No. INS920010;

THEREFORE, IT IS ORDERED:

(1) That the licenses of Defendant to transact the business of insurance as an agent in the Commonwealth of Virginia be, and they are hereby, revoked;

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

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

(4) That Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to two (2) years from the date of this order;

(5) That the Bureau of Insurance cause a copy of this order to be sent to every insurance company for which Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

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

CASE NO. INS960058
DECEMBER 5, 1996

PETITION OF
JOSEPH AND MAUREEN TRENARY

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

FINAL ORDER

WHEREAS, on March 4, 1996, Joseph and Maureen Trenary ("Petitioners") filed a Petition with the Clerk of the State Corporation Commission contesting the Deputy Receiver's Determination of Appeal in Claim No. 2742174;

WHEREAS, on March 15, 1996, the Commission docketed the Petition, assigned a Hearing Examiner to conduct all further proceedings in the matter, and directed the Deputy Receiver to file an Answer or other responsive pleading to the Petition on or before May 10, 1996;

WHEREAS, on May 10, 1996, the Deputy Receiver filed an Answer to the Petition;

WHEREAS, on October 7, 1996, a telephonic hearing was held where the Petitioners and the Deputy Receiver were provided an opportunity to introduce evidence in support of their respective positions and provided an opportunity to cross-examine the evidence proffered by the other party;

WHEREAS, on October 11, 1996, the Senior Hearing Examiner filed his Final Report, wherein the Senior Hearing Examiner found that the Deputy Receiver's Determination of Appeal should be affirmed and recommended that the Commission enter an order: (i) affirming the Deputy Receiver's Determination of Appeal; and (ii) dismissing the Petition filed by Joseph and Maureen Trenary;

THE COMMISSION, having considered the record herein and the report of and recommendation of its Senior Hearing Examiner, adopts the Senior Hearing Examiner's findings as its own;

THEREFORE, IT IS ORDERED THAT:

(1) The Petition of Joseph and Maureen Trenary for review of the Deputy Receiver's Determination of Appeal be, and it is hereby, DENIED;

(2) The Deputy Receiver's Determination of Appeal issued February 20, 1996, be, and it is hereby, AFFIRMED; and

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

CASE NO. INS960061
AUGUST 8, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
WILLIAM E. MOULTON, JR.,
Defendant

FINAL ORDER

WHEREAS, on March 14, 1996, the Commission entered a Rule to Show Cause against the Defendant requiring him to appear before the Commission on May 21, 1996, to show cause why his insurance agent license should not be revoked pursuant to Virginia Code § 38.2-1831;

WHEREAS, the Commission's Senior Hearing Examiner conducted the aforesaid hearing on behalf of the Commission;

WHEREAS, on June 7, 1996, the Hearing Examiner issued his Final Report wherein he recommended that the Commission enter an order dismissing the Rule to Show Cause issued against the Defendant; and

THE COMMISSION, having considered the record herein and the report and recommendation of its Hearing Examiner, adopts the Hearing Examiner's findings as its own;

THEREFORE, IT IS ORDERED THAT:

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

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

CASE NO. INS960070
APRIL 11, 1996

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

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in a certain instance, violated Virginia Code § 38.2-610 by failing to send a certain person an adverse underwriting decision notice;

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 THAT:

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

(2) Defendant cease and desist from any conduct which constitutes a violation of Virginia Code § 38.2-610; and

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

CASE NO. INS960074
DECEMBER 5, 1996

PETITION OF
MAIN STREET HOMES, INC.

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

FINAL ORDER

WHEREAS, on March 18, 1996, Main Street Homes, Inc. ("Petitioner") filed a Petition with the Clerk of the State Corporation Commission contesting the Deputy Receiver's Determination of Appeal in Claim No. Z9563, wherein the Deputy Receiver held Petitioner responsible for repairing basement leaks in a home owned by Arthur Manigault;

WHEREAS, on March 28, 1996, the Commission docketed the Petition, assigned a Hearing Examiner to conduct all further proceedings in the matter, and directed the Deputy Receiver to file an Answer or other responsive pleading to the Petition on or before May 17, 1996;

WHEREAS, on May 17, 1996, the Deputy Receiver filed an Answer to the Petition for Review;

WHEREAS, on June 7, 1996, by Hearing Examiner's Ruling, Arthur Manigault ("Homeowner") was joined as a party to the proceeding;

WHEREAS, on August 21, 1996, the Deputy Receiver filed a Motion for Summary Judgment, and the Petitioner responded to the motion by filing prepared testimony and exhibits of two witnesses;

WHEREAS, on September 10, 1996, the Hearing Examiner denied the Deputy Receiver's Motion for Summary Judgment;

WHEREAS, on October 10, 1996, a telephonic hearing was held where the Petitioner, Deputy Receiver and the Homeowner were provided an opportunity to introduce evidence in support of their respective positions and to cross-examine the evidence proffered by the other parties;

WHEREAS, on October 25, 1996, the Commission's Senior Hearing Examiner filed his Final Report, wherein the Senior Hearing Examiner found that the current basement leaks were not new leaks which fall outside the one year warranty period, but the same old leaks which were reported within the one year builder's limited warranty and never properly repaired by Main Street Homes, Inc., and further recommended that the Commission enter an order (i) affirming the Deputy Receiver's Determination of Appeal; and (ii) dismissing the Petition for Review filed by Main Street Homes, Inc.;

THE COMMISSION, having considered the record herein and the report and recommendation of its Senior Hearing Examiner, adopts the Senior Hearing Examiner's findings as its own;

THEREFORE, IT IS ORDERED THAT:

(1) The Petition of Main Street Homes, Inc. for review of the Deputy Receiver's Determination of Appeal be, and it is hereby, DISMISSED:

(2) The Deputy Receiver's Determination of Appeal in Claim No. Z9563 be, and it is hereby, AFFIRMED; and

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

CASE NO. INS960075
APRIL 5, 1996

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

IMPAIRMENT ORDER

WHEREAS, Grangers Mutual 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 main minimum surplus of $4,000,000;

WHEREAS, Virginia Code § 38.2-1035 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 1995 Annual Statement filed with the Commission's Bureau of Insurance, indicates a surplus of $2,429,912;

IT IS ORDERED that, on or before June 7, 1996, Defendant eliminate the impairment in its surplus and restore the same to at least $4,000,000 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 impairment of Defendant's surplus exists and until further order of the Commission.

CASE NO. INS960075
JUNE 21, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
GRANGERS MUTUAL 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 April 5, 1996, Defendant was ordered to eliminate the impairment in its surplus and restore the same to at least $4,000,000 and advise the Commission of the accomplishment thereof by affidavit of Defendant's president or other authorized officer on or before June 7, 1996; and

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

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to July 2, 1996, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before July 2, 1996, 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. INS960075
JULY 29, 1996

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

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein June 21, 1996, Defendant was ordered to take notice that the Commission would enter an order subsequent to July 2, 1996, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before July 2, 1996, Defendant filed with the Clerk of the Commission a request for a hearing before the Commission to contest the proposed suspension of Defendant's license; and

WHEREAS, as of the date of this Order, Defendant has not filed a request to be heard before the Commission with respect to the proposed suspension of Defendant's license;

THEREFORE, IT IS ORDERED THAT:

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

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

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

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

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

CASE NO. INS960082
OCTOBER 21, 1996

PETITION OF
SCOTT AND LISA BARBER

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

FINAL ORDER

WHEREAS, on March 26, 1996, Scott and Lisa Barber ("Petitioners") filed a Petition with the Clerk of the State Corporation Commission contesting the Deputy's Receiver's Determination of Appeal in Claim No. 3783940;

WHEREAS, on April 5, 1996, the Commission docketed the Petition, assigned a Hearing Examiner to conduct all further proceedings and directed the Deputy Receiver to file an Answer or other responsive pleading to the Petition on or before June 14, 1996;

WHEREAS, on June 14, 1996, the Acting Deputy Receiver, by counsel, filed a Motion to Dismiss asserting, inter alia, that Petitioners' Petition for Review was filed untimely with the Commission under the Receivership Appeal Procedure, and on July 19, 1996, Petitioners filed their Response to the Motion to Dismiss;

WHEREAS, on July 31, 1996, the Hearing Examiner filed her Final Report, wherein the Hearing Examiner found that the Deputy Receiver's Motion to Dismiss should be granted and recommended that the Commission enter an Order: (i) dismissing the Petition of Appeal; and (ii) affirming the Deputy Receiver's Determination of Appeal in Claim No. 3783940;

WHEREAS, on August 15, 1996, Petitioners filed Comments to the Hearing Examiner's Report and Petition for Reconsideration;

THE COMMISSION, having considered the record herein, the report of and the recommendation of its Hearing Examiner, and the comments to the Hearing Examiner's Final Report, adopts the Hearing's Examiner's findings as its own;

THEREFORE, IT IS ORDERED THAT:

(1) The Petition of Scott and Lisa Barber for review of the Deputy Receiver's Determination of Appeal, be, and it is hereby, DISMISSED;

(2) The Deputy Receiver's Determination of Appeal in Claim No. 3783940 issued on February 21, 1996, be, and it is hereby, AFFIRMED; and

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

CASE NO. INS960105
JUNE 25, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
THE TRAVELERS INDEMNITY COMPANY,
THE TRAVELERS INDEMNITY COMPANY OF ILLINOIS,
THE TRAVELERS INSURANCE COMPANY,
and
THE CHARTER OAK FIRE INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendants, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated provisions of the Code of Virginia, to wit: The Travelers Indemnity Company violated Virginia Code §§ 38.2-231, 38.2-304, 38.2-305, 38.2-317, 38.2-1833, 38.2-1904, 38.2-1906.B, 38.2-2014, and 38.2-2220; The Travelers Indemnity Company of Illinois violated Virginia Code §§ 38.2-231, 38.2-304, 38.2-1906, and 38.2-1906.B, as well as Section 4.4 of the Commission's Rules Governing Insurance Premium Finance Companies; The Travelers Insurance Company violated Virginia Code §§ 38.2-304, 38.2-1906.B, and 38.2-2014; and The Charter Oak Fire Insurance Company violated Virginia Code §§ 38.2-231, 38.2-304, 38.2-317, 38.2-1904, 38.2-1906.B, 38.2-2014, and 38.2-2206;

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-five thousand dollars ($25,000), have waived their right to a hearing and have agreed to the entry by the Commission of a cease and desist order; and

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

IT IS ORDERED THAT:

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

(2) Defendant, The Travelers Indemnity 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, 38.2-1833, 38.2-1904, 38.2-1906.B, 38.2-2014, or 38.2-2220;

(3) Defendant, The Travelers Indemnity Company of Illinois, cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-231, 38.2-304, 38.2-1904, or 38.2-1906.B, as well as Section 4.4 of the Commission's Rules Governing Insurance Premium Finance Companies;

(4) Defendant, The Travelers Insurance Company, cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-304, 38.2-1906.B, or 38.2-2014; and

(5) Defendant, The Charter Oak Fire Insurance Company, cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-231, 38.2-304, 38.2-317, 38.2-1904, 38.2-1906.B, 38.2-2014, or 38.2-2206; and

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

CASE NO. INS960111
JULY 17, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
HARTFORD CASUALTY INSURANCE COMPANY,
HARTFORD FIRE INSURANCE COMPANY,
THE HARTFORD UNDERWRITERS INSURANCE COMPANY
and
TWIN CITY FIRE INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendants, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated the Code of Virginia to wit: Hartford Casualty Insurance Company violated Virginia Code §§ 38.2-231, 38.2-304, 38.2-305, 38.2-1318, 38.2-1906.B and 38.2-2220, as well as 14 VAC 5-390-40.D; Hartford Fire Insurance Company violated Virginia Code §§ 38.2-231, 38.2-305, 38.2-317, 38.2-1318, 38.2-1833, 38.2-1904, 38.2-1906.B, 38.2-2202 and 38.2-2220, as well as 14 VAC 5-390-40.D; The Hartford Underwriters Insurance Company violated Virginia Code §§ 38.2-304, 38.2-305, 38.2-1833, 38.2-1906.B and 38.2-2202; and Twin City Fire Insurance Company violated Virginia Code §§ 38.2-231, 38.2-304, 38.2-305, 38.2-1318 and 38.2-1906.B;

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 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 THAT:

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

(2) Hartford Casualty Insurance Company cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-231, 38.2-304, 38.2-305, 38.2-1318, 38.2-1906.B or 38.2-2220, as well as 14 VAC 5-390-40.D;

(3) Hartford Fire Insurance Company cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-231, 38.2-305, 38.2-317, 38.2-1318, 38.2-1833, 38.2-1904, 38.2-1906.B, 38.2-2202 or 38.2-2220, as well as 14 VAC 5-390-40.D;

(4) The Hartford Underwriters Insurance Company cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-304, 38.2-305, 38.2-1833, 38.2-1906.B or 38.2-2202;

(5) Twin City 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, 38.2-1318 or 38.2-1906.B; and

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

CASE NO. INS960112
JUNE 20, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
ZAFAR A. HUSAIN,
Defendant

ORDER REVOKING LICENSE

IT APPEARING from an investigation by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia as an insurance agent, in certain instances, violated Virginia Code §§ 38.2-1813 and 38.2-1826 by failing to account for and remit when due premiums collected on behalf of a certain insurer, and by failing to notify the Commission of a change of address;

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 9, 1996 and mailed to the Defendant's address shown in the records of the Bureau of Insurance;

IT FURTHER APPEARING that Defendant, having been advised in the aforesaid manner of his right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau of Insurance;

IT FURTHER APPEARING that the Bureau of Insurance, upon Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent; and

THE COMMISSION is of the opinion and finds that Defendant has violated Virginia Code §§ 38.2-1813 and 38.2-1826 by failing to account for and remit when due premiums collected on behalf of a certain insurer, and by failing to notify the Commission of a change of address;

THEREFORE, IT IS ORDERED THAT:

(1) The licenses of Defendant to transact the business of insurance as an agent in the Commonwealth of Virginia be, and they are hereby, revoked;

(2) All appointments issued under said licenses be, and they are hereby, void;

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

(4) Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to two (2) years from the date of this order;

(5) The Bureau of Insurance cause a copy of this order to be sent to every insurance company for which Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

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

CASE NO. INS960113
MAY 9, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
CONFEDERATION 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: (i) the company is insolvent or is in a condition that any further transaction of business in the Commonwealth is hazardous to its policyholders, creditors, and public in this Commonwealth; or (ii) the company has had its certificate of authority revoked in this Commonwealth;

WHEREAS, by order entered August 12, 1994, in the Circuit Court for the County of Ingham, Michigan, the Commissioner of Insurance of the State of Michigan was appointed the rehabilitator of the United States branch of Confederation Life Insurance Company ("Confederation Life"), an insurer domiciled in Canada;

WHEREAS, Confederation Life's certificate of authority to transact business in the Commonwealth of Virginia as a foreign corporation has been revoked by the Commission for failing to file an annual report; and

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

THEREFORE, IT IS ORDERED that Confederation Life TAKE NOTICE that the Commission shall enter an order subsequent to May 23, 1996, revoking the license of Confederation Life to transact the business of insurance in the Commonwealth of Virginia unless on or before May 23, 1996, Confederation Life files with the Clerk of the Commission, Document Control Center, 1300 East Main Street, Richmond, Virginia 23219, a request for a hearing before the Commission with respect to the proposed revocation of Confederation Life's license.

CASE NO. INS960113
JUNE 4, 1996

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

ORDER REVOKING LICENSE

WHEREAS, for the reasons stated in an order entered herein May 9, 1996, Defendant was ordered to take notice that the Commission would enter an order subsequent to May 23, 1996, revoking the license of the Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before May 23, 1996, Defendant filed with the Clerk of the Commission a request for a hearing before the Commission to contest the proposed revocation of Defendant's license;

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

THEREFORE, IT IS ORDERED THAT:

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

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

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

(5) The Bureau of Insurance 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. INS960127
OCTOBER 21, 1996

PETITION OF
TIMOTHY D. AND JACQUELINE WELCH

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

FINAL ORDER

WHEREAS, on May 9, 1996, Timothy D. and Jacqueline Welch ("Petitioners") filed a Petition with the Clerk of the State Corporation Commission contesting the Deputy's Receiver's Determination of Appeal in Claim No. D1549;

WHEREAS, on May 20, 1996, the Commission docketed the Petition, assigned a Hearing Examiner to conduct all further proceedings and directed the Deputy Receiver to file an Answer or other responsive pleading to the Petition on or before July 12, 1996;

WHEREAS, on July 11, 1996, the Deputy Receiver filed a Motion to Dismiss asserting, inter alia, that Petitioners' Petition for Review was filed untimely with the Commission under the Receivership Appeal Procedure, and on August 1, 1996, Petitioners filed their Response to the Motion to Dismiss;

WHEREAS, on August 28, 1996, the Hearing Examiner filed his Final Report, wherein the Hearing Examiner found that the Deputy Receiver's Motion to Dismiss should be granted and recommended that the Commission enter an Order: (i) dismissing the Petition of Timothy D. and Jacqueline Welch; and (ii) affirming the Deputy Receiver's Determination of Appeal issued on March 4, 1996;

THE COMMISSION, having considered the record herein and the report and the recommendation of its Hearing Examiner, adopts the Hearing Examiner's findings as its own;

THEREFORE, IT IS ORDERED THAT:

(1) The Petition of Timothy D. and Jacqueline Welch for review of the Deputy Receiver's Determination of Appeal, be, and it is hereby, DISMISSED;

(2) The Deputy Receiver's Determination of Appeal issued on March 4, 1996, be, and it is hereby, AFFIRMED; and

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

CASE NO. INS960144
JULY 12, 1996

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of a health services plan in the Commonwealth of Virginia, in certain instances, violated Virginia Code §§ 38.2-316.A, 38.2-316.B, 38.2-316.C, 38.2-502.1, 38.2-510.A.5, 38.2-510.A.6, 38.2-511, 38.2-610.A.1, 38.2-610.B, 38.2-3404.C and 38.2-3407.1.B, as well as 14 VAC 5-170-170, 14 VAC 5-170-180, 14 VAC 5-200-160 and 14 VAC 5-200-170;

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 two hundred twenty-five thousand dollars ($225,000) 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 THAT:

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

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

CASE NO. INS960152
JUNE 6, 1996

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

IMPAIRMENT ORDER

WHEREAS, American Title Insurance Company, a foreign corporation domiciled in the State of Florida and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, is required to maintain minimum capital of $1,000,000 and minimum surplus of $3,000,000;

WHEREAS, Virginia Code § 38.2-1036 provides, inter alia, that if the Commission finds an impairment of the required minimum surplus of any foreign insurer, the Commission may order the insurer to eliminate the impairment and restore the minimum surplus to the amount required by law and may prohibit the insurer from issuing any new policies in the Commonwealth of Virginia while the impairment of its surplus exists; and

WHEREAS, the March 31, 1996, Quarterly Statement of Defendant, filed with the Commission's Bureau of Insurance, indicates capital of $1,633,516, and surplus of $2,131,826;

IT IS ORDERED that, on or before August 2, 1996, Defendant eliminate the impairment in its surplus and restore the same to at least $3,000,000 and advise the Commission of the accomplishment thereof by affidavit of Defendant's president or other authorized officer.

IT IS FURTHER ORDERED that Defendant shall issue no new contracts or policies of insurance in the Commonwealth of Virginia while the impairment of Defendant's surplus exists and until further order of the Commission.

CASE NO. INS960152
AUGUST 5, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
AMERICAN TITLE 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 June 6, 1996, Defendant was ordered to eliminate the impairment in its surplus and restore the same to at least $3,000,000 and advise the Commission of the accomplishment thereof by affidavit of Defendant's president or other authorized officer on or before August 2, 1996; and

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

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to August 20, 1996, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before August 20, 1996, Defendant files with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, a request for a hearing before the Commission with respect to the proposed suspension of Defendant's license.

CASE NO. INS960152
AUGUST 22, 1996

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

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein August 5, 1996, Defendant was ordered to take notice that the Commission would enter an order subsequent to August 20, 1996, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before August 20, 1996, Defendant filed with the Clerk of the Commission a request for a hearing before the Commission to contest the proposed suspension of Defendant's license; and

WHEREAS, as of the date of this Order, Defendant has not filed a request to be heard before the Commission with respect to the proposed suspension of Defendant's license;

THEREFORE, IT IS ORDERED THAT:

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

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

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

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

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

CASE NO. INS960162
JULY 11, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
RANDALL M. WORSHAM,
Defendant

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated Virginia Code §§ 38.2-502.1 and 38.2-503, as well as 14 VAC 5-40-40.A.1 and 14 VAC 5-40-40.A.2 by misrepresenting the benefits, advantages, conditions or terms of certain insurance policies, and by making statements which were untrue, deceptive, or misleading;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-1831 to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that Defendant has committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendant has been advised of his right to a hearing in this matter, whereupon Defendant, without admitting any violation of any law or regulation and for the sole purpose of settling a disputed matter, 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 his right to a hearing and has agreed to the entry by the Commission of a cease and desist order; and

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

IT IS ORDERED THAT:

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

(2) Defendant cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-502.1 or 38.2-503, as well as 14 VAC 5-40-40.A.1 or 14 VAC 5-40-40.A.2; and

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

CASE NO. INS960163
JUNE 21, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
MILITARY PREMIUM MANAGERS, INC.,
Defendant

ORDER SUSPENDING LICENSE

WHEREAS, by affidavit of Defendant's President, Defendant has voluntarily consented to a suspension of its license to transact the business of a premium finance company in Virginia;

THEREFORE, IT IS ORDERED THAT:

(1) Pursuant to Virginia Code § 38.2-4704, the license of Defendant to transact the business of a premium finance company in the Commonwealth of Virginia be, and it is hereby, SUSPENDED;

(2) Defendant shall issue no new premium finance contracts in the Commonwealth of Virginia;

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

(4) Defendant's agents shall transact no new premium finance contracts on behalf of Defendant in the Commonwealth of Virginia until further order of the Commission; and

(5) Defendant shall cause a copy of this Order to be sent to each of Defendant's agents in the Commonwealth of Virginia as notice of the suspension of such agent's authority to issue Defendant's premium finance contracts.

CASE NO. INS960164
OCTOBER 7, 1996

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 24, 1996, pursuant to an order entered herein July 16, 1996, the Commission conducted a hearing in its courtroom for the purpose of determining whether competition is an effective regulator of rates charged for certain lines and subclassifications of commercial liability insurance, which lines and subclassifications were designated in the Commission's December, 1995 Report to the General Assembly of Virginia pursuant to Virginia Code § 38.2-1905.1(C).

At the hearing, appearances were made by counsel for the American Insurance Association ("AIA") and the Bureau of Insurance ("BOI"). Witnesses testified *ore tenus* and by stipulation, respectively, on behalf of BOI and AIA. The only line or subclassification designated by the Commission in its report to the legislature that was contested at the hearing with respect to BOI's several recommendations was medical professional liability insurance. Witnesses for BOI recommended to the Commission, principally because of the rates of return on equity earned by insurers writing medical professional liability insurance ("MPL"), that rates for MPL insurance continue to be subject to the delayed effect rate-filing rule to which MPL has been subject for some number of years; provided, however, because of effective competition by insurers for business in the MPL subclass "other health care liability", such insurers should be permitted to "file and use" rates with respect to that subclass of MPL. Moreover, BOI's evidence demonstrates that, while additional insurers have entered the MPL market since the Commission's last hearing in 1994, the same top four insurers of MPL who wrote 76.6% of the MPL market by premium volume in 1994 wrote 77.0% of the MPL market by premium volume in 1995. On the other hand, witnesses for AIA recommended to the Commission, because of a perceived increase in the total number of insurers writing MPL in Virginia during the past several years and other reasons, that MPL be declared a competitive line of insurance and that insurers writing MPL be permitted to file and use rates with respect to all subclasses of MPL without delayed effect.

The Commission is encouraged to learn that, during the past several years, additional insurers have entered the MPL insurance market and have begun to write certain of the various subclasses of MPL insurance in Virginia. The Commission is further encouraged to learn from BOI's evidence that rates for the line or subclassification lawyers professional liability insurance, which line has been subject to the delayed effect rate-filing rule since 1989, have become competitive to the point that the Commission may permit such rates to be "regulated" by the market place on a "file and use" basis.

The Commission is convinced that a competitive market place is the preferable regulator of rates and that a rate system of "open competition" or "file and use", rather than a governmental "prior approval" or "delayed effect" rate system, should be encouraged. To this end, the Commission believes the Bureau of Insurance should monitor on a continuous basis the competitive behavior of the MPL market in an effort to determine as early as practicable whether competition has, in fact, become an effective regulator of MPL rates.

Notwithstanding the aforesaid, however, and based on the record developed in this proceeding, it does not appear to the Commission that effective competition in the MPL market place has actually arrived. Accordingly, the Commission believes that rates for the various subclasses of the MPL market, with the exception of the rates charged for MPL subclass "other health care liability", should continue to be subject to the delayed effect provisions of Virginia Code § 38.2-1912.

NOW, THEREFORE, 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 the following lines and subclassifications of insurance: insurance agents professional liability; medical professional liability with the exception of the subclass "other health care liability"; real estate agents professional liability; volunteer fire departments and rescue squad liability; and, that, pursuant to Virginia Code § 38.2-1912, for twenty-seven 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, prospective loss costs and supplementary rate information for the aforesaid lines and subclassifications of insurance, and, pursuant to Virginia Code § 38.2-2.1912 (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 process not less than (60) days prior to the date on which they are proposed to become effective.

(2) That, while evidence was presented at the hearing concerning competition with respect to architects and engineers liability insurance, landfill liability insurance and environmental liability insurance (including underground tanks), 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 requirements of Chapter 19 of Title 38.2 of the Code of Virginia; and

(3) That competition is an effective regulator of the rates charged for the subclass of medical professional liability insurance known as "other health care liability" and lawyers professional liability insurance and that insurers writing such line or subclass of insurance be, and they are hereby, relieved of the duty of complying with any delayed effect filing rule or the provisions of Virginia Code § 38.2-1912 with respect thereto until further order of the Commission; and

(4) That the Bureau of Insurance shall monitor on a continuous basis the competitive behavior of the medical professional liability insurance market and report the results of its findings to the Commission at any time the Bureau believes that there has been a material change in that market place.

CASE NO. INS960165
JULY 1, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of adopting revised Rules Governing Essential and Standard Health Benefit Plan Contracts

ORDER TO TAKE NOTICE

WHEREAS, Virginia Code § 12.1-13 provides that the Commission shall have the power to promulgate rules and regulations in the enforcement and administration of all laws within its jurisdiction, and Virginia Code § 38.2-223 provides that the Commission may issue any rules and regulations necessary or appropriate for the administration and enforcement of Title 38.2 of the Code of Virginia;

WHEREAS, the Bureau of Insurance has submitted to the Commission a proposed revised regulation entitled "Rules Governing Essential and Standard Health Benefit Plan Contracts"; and

WHEREAS, the Commission is of the opinion that the proposed revised regulation should be adopted;

THEREFORE, IT IS ORDERED THAT:

(1) All interested persons TAKE NOTICE that the Commission shall enter an order subsequent to July 30, 1996, adopting the revised regulation proposed by the Bureau of Insurance unless on or before July 30, 1996, any person objecting to the proposed revisions to the regulation files a request for a hearing and a responsive pleading specifying in detail their objections to the adoption of the proposed revisions to the regulation with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218;

(2) An attested copy hereof, together with a copy of the proposed revised regulation, be sent by the Clerk of the Commission to the Bureau of Insurance in care of Deputy Commissioner Gerald A. Milsky who shall forthwith give further notice of the proposed adoption of the revised regulation by mailing a copy of this order, together with a complete draft of the regulation, to all insurers, health services plans, and health maintenance organizations licensed in the Commonwealth of Virginia;

(3) The Bureau of Insurance shall file with the Clerk of the Commission an affidavit of compliance with the notice requirements of paragraph (2) above.

NOTE: A copy of Attachment A entitled "Rules Governing Essential and Standard Health Benefit Plan Contracts" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. INS960165
AUGUST 5, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of adopting revised Rules Governing Essential and Standard Health Benefit Plan Contracts

ORDER ADOPTING REGULATION

WHEREAS, by order entered herein July 1, 1996, all interested persons were ordered to take notice that the Commission would enter an order subsequent to July 30, 1996 adopting a revised regulation proposed by the Bureau of Insurance unless on or before July 30, 1996, any person objecting to the adoption of the regulation filed a request for a hearing with the Clerk of the Commission;

WHEREAS, as of the date of this order, no request for a hearing has been filed with the Clerk of the Commission;

THEREFORE, IT IS ORDERED that the regulation entitled "Rules Governing Essential and Standard Health Benefit Plan Contracts" which is attached hereto and made a part hereof should be, and it is hereby, ADOPTED to be effective September 1, 1996.

NOTE: A copy of Attachment A entitled "Rules Governing Essential and Standard Health Benefit Plan Contracts" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. INS960167
JUNE 26, 1996

APPLICATION OF
NATIONAL AMERICAN LIFE INSURANCE COMPANY OF PENNSYLVANIA, IN LIQUIDATION

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

ORDER APPROVING APPLICATION

ON A FORMER DAY came National American Life Insurance Company of Pennsylvania, In Liquidation ("NALICO"), by its Liquidator the Insurance Commissioner of the Commonwealth of Pennsylvania, and filed with the Commission an application requesting approval of an assumption reinsurance agreement pursuant to Virginia Code § 38.2-136.C, whereby Acacia National Life Insurance Company, a Virginia-domiciled insurer licensed to transact the business of insurance in the Commonwealth of Virginia, would assume certain annuity contracts, supplementary contracts, life insurance policies, and accident and sickness insurance policies issued by NALICO;

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

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

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

CASE NO. INS960168
JULY 1, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of adopting revised Rules Governing Surplus Lines Insurance

ORDER TO TAKE NOTICE

WHEREAS, Virginia Code § 12.1-13 provides that the Commission shall have the power to promulgate rules and regulations in the enforcement and administration of all laws within its jurisdiction, and Virginia Code § 38.2-223 provides that the Commission may issue any rules and regulations necessary or appropriate for the administration and enforcement of Title 38.2 of the Code of Virginia;

WHEREAS, the Bureau of Insurance has submitted to the Commission a proposed revised regulation entitled "Rules Governing Surplus Lines Insurance"; and

WHEREAS, the Commission is of the opinion that the proposed revised regulation should be adopted;

THEREFORE, IT IS ORDERED THAT:

(1) All interested persons TAKE NOTICE that the Commission shall enter an order subsequent to July 30, 1996, adopting the revised regulation proposed by the Bureau of Insurance unless on or before July 30, 1996, any person objecting to the proposed revisions to the regulation files a request for a hearing and a responsive pleading specifying in detail their objections to the adoption of the proposed revisions to the regulation with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218;

(2) An attested copy hereof, together with a copy of the proposed revised regulation, be sent by the Clerk of the Commission to the Bureau of Insurance in care of Administrative Manager Brian P. Gaudiose who shall forthwith give further notice of the proposed adoption of the revised regulation by mailing a copy of this order, together with a complete draft of the regulation, to all licensed surplus lines brokers and approved surplus insurers in the Commonwealth of Virginia;

(3) The Bureau of Insurance shall file with the Clerk of the Commission an affidavit of compliance with the notice requirements of paragraph (2) above.

NOTE: A copy of Attachment A entitled "Rules Governing Surplus Lines Insurance" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. INS960168
AUGUST 5, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of adopting revised Rules Governing Surplus Lines Insurance

ORDER ADOPTING REGULATION

WHEREAS, by order entered herein July 1, 1996, all interested persons were ordered to take notice that the Commission would enter an order subsequent to July 30, 1996 adopting a revised regulation proposed by the Bureau of Insurance unless on or before July 30, 1996, any person objecting to the adoption of the regulation filed a request for a hearing with the Clerk of the Commission;

WHEREAS, as of the date of this order, no request for a hearing has been filed with the Clerk of the Commission;

THEREFORE, IT IS ORDERED that the regulation entitled "Rules Governing Surplus Lines Insurance" which is attached hereto and made a part hereof should be, and it is hereby, ADOPTED to be effective September 1, 1996.

NOTE: A copy of Attachment A entitled "Rules Governing Surplus Lines Insurance" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. INS960170
JULY 11, 1996

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

IMPAIRMENT ORDER

WHEREAS, Nations Title Insurance Company, a foreign corporation domiciled in the State of Kansas and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, is required to maintain minimum surplus of $3,000,000;

WHEREAS, Virginia Code § 38.2-1035 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 March 31, 1996, Quarterly Statement filed with the Commission's Bureau of Insurance, indicates a surplus of $2,947,334;

IT IS ORDERED that, on or before September 10, 1996, Defendant eliminate the impairment in its surplus and restore the same to at least $3,000,000 and advise the Commission of the accomplishment thereof by affidavit of Defendant's president or other authorized officer.

IT IS FURTHER ORDERED that Defendant shall issue no new contracts or policies of insurance in the Commonwealth of Virginia while impairment of Defendant's surplus exists and until further order of the Commission.

CASE NO. INS960170
JULY 15, 1996

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

VACATING ORDER

GOOD CAUSE having been shown, the Impairment Order entered herein July 11, 1996, is hereby vacated.

CASE NO. INS960170
JULY 15, 1996

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

AMENDED IMPAIRMENT ORDER

WHEREAS, Nations Title Insurance Company, a foreign corporation domiciled in the State of Kansas and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, is required to maintain minimum surplus of $3,000,000;

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 March 31, 1996, Quarterly Statement filed with the Commission's Bureau of Insurance, indicates a surplus of $2,947,334;

IT IS ORDERED that, on or before September 10, 1996, Defendant eliminate the impairment in its surplus and restore the same to at least $3,000,000 and advise the Commission of the accomplishment thereof by affidavit of Defendant's president or other authorized officer.

IT IS FURTHER ORDERED that Defendant shall issue no new contracts or policies of insurance in the Commonwealth of Virginia while impairment of Defendant's surplus exists and until further order of the Commission.

CASE NO. INS960170
DECEMBER 9, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
NATIONS TITLE 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 July 15, 1996, Defendant was ordered to eliminate the impairment in its surplus and restore the same to at least $3,000,000 and advise the Commission of the accomplishment thereof by affidavit of Defendant's president or other authorized officer on or before September 10, 1996; and

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

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to December 20, 1996, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before December 20, 1996, Defendant files with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, a request for a hearing before the Commission with respect to the proposed suspension of Defendant's license.

CASE NO. INS960171
AUGUST 5, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
WAVERLY HERBERT HAWTHORNE, 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 an insurance agent, in certain instances, violated Virginia Code §§ 38.2-512 and 38.2-1826 by making false statements or representation on or relative to an application for an insurance policy for the purpose of obtaining a fee or commission, and by failing to notify the Commission of a change of address;

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 1, 1996 and mailed to the Defendant's address shown in the records of the Bureau of Insurance;

IT FURTHER APPEARING that Defendant, having been advised in the aforesaid manner of his right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau of Insurance;

IT FURTHER APPEARING that the Bureau of Insurance, upon Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent; and

THE COMMISSION is of the opinion and finds that Defendant has violated Virginia Code §§ 38.2-512 and 38.2-1826 by making false statements or representation on or relative to an application for an insurance policy for the purpose of obtaining a fee or commission, and by failing to notify the Commission of a change of address;

THEREFORE, IT IS ORDERED THAT:

(1) The licenses of Defendant to transact the business of insurance as an agent in the Commonwealth of Virginia be, and they are hereby, revoked;

(2) All appointments issued under said licenses be, and they are hereby, void;

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

(4) Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to two (2) years from the date of this order;

(5) The Bureau of Insurance cause a copy of this order to be sent to every insurance company for which Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

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

CASE NO. INS960177
AUGUST 12, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
FREDERICK T. GATES,
Defendant

ORDER REVOKING LICENSE

IT APPEARING from an investigation by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia as an insurance agent, in certain instances, violated Virginia Code § 38.2-1813 by failing to hold certain premiums in a fiduciary capacity, and by failing in the ordinary course of business to remit certain premiums to 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 July 3, 1996, and mailed to the Defendant's address shown in the records of the Bureau of Insurance;

IT FURTHER APPEARING that Defendant, having been advised in the aforesaid manner of his right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau of Insurance;

IT FURTHER APPEARING that the Bureau of Insurance, upon Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent; and

THE COMMISSION is of the opinion and finds that Defendant has violated Virginia Code § 38.2-1813 by failing to hold certain premiums in a fiduciary capacity, and by failing in the ordinary course of business to remit certain premiums to an insurer;

THEREFORE, IT IS ORDERED THAT:

(1) The licenses of Defendant to transact the business of insurance as an agent in the Commonwealth of Virginia be, and they are hereby, revoked;

(2) All appointments issued under said licenses be, and they are hereby, void;

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

(4) Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to two (2) years from the date of this order;

(5) The Bureau of Insurance cause a copy of this order to be sent to every insurance company for which Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

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

CASE NO. INS960191
NOVEMBER 26, 1996

APPLICATION OF
NATIONAL COUNCIL ON COMPENSATION INSURANCE

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

FINAL ORDER

The application herein was heard by the State Corporation Commission (the "Commission") beginning on October 16, 1996, and ending on October 17, 1996. The National Council on Compensation Insurance (the "Applicant"), the Commission's Bureau of Insurance, the Office of the Attorney General, intervenors Washington Construction Employers Association, and the Iron Workers Employers Association, were represented by their counsel.

NOW, ON THIS DAY, having considered the record herein, and the law applicable hereto, THE COMMISSION is of the opinion, finds, and orders:

(1) That, based on the calculation of two policy years of loss and premium experience for the voluntary market, the factor of 0.949 proposed by the Applicant to adjust for experience, trend, and benefits shall be utilized, resulting from the use of the "paid plus case" loss experience methodology, loss development to a 6th report based on voluntary market experience using dollar weighted averages, loss development from a 6th report to a 15th report based on the combined experience for both the voluntary market and assigned risk market using five year dollar weighted averages, an indemnity tail factor and a medical tail factor based on the Applicant's procedures, and the "growth" factor procedure proposed by the Applicant;

(2) That, based on the calculation of five policy years of loss and premium experience for the assigned risk market, the factor of 0.981 proposed by the Applicant to adjust for experience, trend, and benefits shall be utilized, resulting from the use of the "paid plus case" loss experience methodology, loss development to a 6th report based on assigned risk market experience using dollar weighted averages, loss development from a 6th report to a 15th report based on the combined experience for both the voluntary market and assigned risk market using five year dollar weighted averages, an indemnity tail factor and a medical tail factor based on the Applicant's procedures, and the "growth" factor procedure proposed by the Applicant;

(3) That the annual indemnity trend of negative 4.6 percent and the annual medical trend of positive 0.2 percent proposed by the Applicant, shall be utilized, based on the combined experience for both the voluntary market and assigned risk market;

(4) That the factor of 1.007 for the change in indemnity benefits proposed by the Applicant and the factor of 1.000 for the change in medical benefits proposed by the Applicant are accepted and shall be utilized;

(5) That the change in the provision for loss adjustment expenses from 12.4 percent of expected loss to 12.8 percent of expected loss proposed by the Applicant is accepted and shall be utilized;

(6) That the offset for the premium credits expected to result from the Virginia Contractors Classifications Premium Adjustment Program ("VCCPAP") of 1.5 percent for the Contracting Group and 0.4 percent overall proposed by the Applicant may produce excessive premiums, and in lieu thereof, an offset of 0.75 percent for the Contracting Group and 0.2 percent overall shall be utilized; and the Applicant is instructed to provide relevant data and a sound actuarial analysis for determining such offsets with its next loss costs and assigned risk applications;

(7) That the calculation of the change to voluntary market loss costs for industrial classes expressed as a percentage shall be: experience, trend, and benefits (5.1 percent decrease), loss adjustment expense (0.4 percent increase), offset for VCCPAP (0.2 percent increase), resulting in a total change in voluntary market loss costs of 4.5 percent decrease rather than the 4.3 percent decrease proposed by the Applicant;

(8) That the factor of 1.033 for the change in expenses (loss adjustment, taxes, general, production, administrative, and other) for the assigned risk market proposed by the Applicant shall be utilized, and that prior to the next rate application the Applicant shall cause to be implemented an independent audit of the reasonableness of the amounts of Applicant's expenses charged to the Virginia residual market as well as the reasonableness of the allocation methodologies and accuracy of administrative expenses billed to the Virginia residual market to be conducted by an independent audit firm at the direction of the Bureau of Insurance;

(9) That the change in profit and contingencies provision for the assigned risk market from negative 6.84 percent to 0.0 percent representing a premium increase of 9.0 percent proposed by the Applicant produces excessive premiums and, in lieu thereof, the profit and contingencies provision shall be changed to negative 8.46 percent representing a decrease of 1.9 percent in premiums resulting from a rate of return of 11.36 percent (which is based on an 80/20 equity-to-debt ratio, a 12.25 percent cost of common equity, and a 7.78 percent cost of long-term debt), a 7.51 percent pre-tax return on invested assets before consideration of investment expenses, a 5.65 percent post-tax return on invested assets before consideration of investment expenses, a 5.41 percent post-tax return on invested assets after consideration of investment expenses, the claims and expense payment schedule proposed by the Applicant, a provision of 2.10 percent for uncollectible premium, and a reserve-to-surplus ratio of 2.77 considering only loss and loss adjustment expense reserves;

(10) That the increase in the expense constant from $160 to $180 proposed by the Applicant is accepted and shall be utilized, and that the offset for the increase in the expense constant shall be a rate decrease of 0.3 percent;

(11) That the calculation of the assigned risk market rate changes for industrial classes expressed as a percentage shall be: experience, trend, and benefits (1.9 percent decrease), expenses, taxes, and loss adjustment expense (3.3 percent increase), profit and contingency (1.9 percent decrease), offset for change in expense constant (0.3 percent decrease), and offset for VCCPAP (0.2 percent increase) resulting in a total decrease in assigned risk market rates of 0.7 percent, rather than the 10.6 percent increase proposed by the Applicant;

(12) That the proposed decrease of 16.7 percent for voluntary market loss costs for "F" classifications be, and it is hereby, approved;

(13) That the proposed 8.5 percent increase for assigned risk market rates for "F" classifications be, and it is hereby, disapproved, and in lieu thereof, a decrease of 2.3 percent is hereby approved;

(14) That the Applicant and any other person participating in future voluntary market loss costs and assigned risk rate applications, when proposing methodologies or data sources that are different from the methodologies or data sources upon which current loss costs and/or rates and/or rating values are based, shall be required to disclose the loss cost, or rate or rating values effect of the change using both the methodology it is proposing to replace as well as using the newly proposed methodology;

(15) That, as respects coal mine classifications, the voluntary market loss cost changes proposed by the Applicant for traumatic injury coverages, for occupational disease coverages, and for traumatic and occupational disease coverages combined, are hereby disapproved; the assigned risk rate changes proposed by the Applicant for traumatic injury coverages, for occupational disease coverages, and for traumatic and occupational disease coverages combined, are hereby disapproved. For all future rate applications the Applicant shall provide voluntary loss costs and assigned risk rates calculated using the same methodology as used to determine the coal mine loss costs and rates in effect prior to January 1, 1996, in addition to proposed loss costs and rates based on any new methodology proposed by the Applicant. Applicant shall work with the Staff of the Bureau of Insurance to determine the feasibility of determining coal mine loss cost and rate changes using the same or similar procedures as are used for industrial classifications and/or "F" classifications. Applicant shall utilize coal mine data for the same time frames as for the industrial classifications as respects the Workers Compensation Statistical Plan data, separately for voluntary market coal mines and for assigned risk coal mines. Applicant shall separately provide complete voluntary market and complete assigned risk market experience for each year used in its calculations. Applicant shall issue a report in cooperation with the Staff of the Bureau of Insurance by no later than April 1, 1997, which provides this Commission with the results of the analyses conducted by the Applicant;

(16) That the Applicant has changed the procedures and/or parameters used to determine the proposed excess loss premium factors ("ELPPFs") without disclosing the effect of such changes, and, thus, such ELPPFs are hereby disapproved. The Applicant may submit revised ELPPFs based upon updated data without changes to procedures and/or parameters which the Bureau of Insurance may approve for use effective January 1, 1997. The Applicant shall submit its revised ELPPF procedures and/or parameters for review by the Bureau of Insurance prior to the next loss costs and assigned risk rates application;

(17) That the Graduated Experience Rating Tables proposed by the Applicant are hereby approved;

(18) That, except as ordered herein, the proposed revision to loss costs, rates, minimum premiums, rating values, rules, regulations, and procedures for writing workers compensation insurance in this Commonwealth that have been filed by the Applicant herein on behalf of its members and subscribers shall be, and they are hereby, approved for use in this Commonwealth effective January 1, 1997; and

(19) That the Applicant shall, as soon as practicable or no later than thirty days from the date hereof, promulgate its revised individual manual code voluntary loss costs, assigned risk rates, minimum premiums, and rating values, rates, and multiples.

CASE NO. INS960193
SEPTEMBER 23, 1996

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

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated Virginia Code §§ 38.2-1812, 38.2-1822 and 38.2-1835 by paying commissions to certain persons who were not licensed and appointed insurance agents;

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 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 THAT:

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

(2) Defendant cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-1812, 38.2-1822 or 38.2-1835; and

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

CASE NO. INS960196
AUGUST 15, 1996

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated Virginia Code §§ 38.2-304, 38.2-305, 38.2-510.A6, 38.2-510.A10, 38.2-610, 38.2-1905, 38.2-1906, 38.2-2014, 38.2-2208, 38.2-2212, 38.2-2214 and 38.2220, as well as 14 VAC 5-390-40.F and 14 VAC 5-400-30;

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 eleven thousand dollars ($11,000), 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 THAT:

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

(2) Defendant cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-304, 38.2-305, 38.2-510.A6, 38.2-510.A10, 38.2-610, 38.2-1905, 38.2-1906, 38.2-2014, 38.2-2208, 38.2-2212, 38.2-2214 or 38.2-2220, as well as 14 VAC 5-390-40.F or 14 VAC 5-400-30; and

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

CASE NO. INS960209
DECEMBER 5, 1996

PETITION OF
WENDELL P. AND VANESSA C. TYLER

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

FINAL ORDER

WHEREAS, on July 26, 1996, Wendell P. and Vanessa C. Tyler ("Petitioners") filed a Petition with the Clerk of the State Corporation Commission contesting the Deputy Receiver's Determination of Appeal in Claim No. D0493;

WHEREAS, on August 5, 1996, the Commission docketed the Petition, assigned a Hearing Examiner to conduct all further proceedings, and directed the Deputy Receiver to file an Answer or other responsive pleading to the Petition on or before September 27, 1996;

WHEREAS, on September 24, 1996, the Deputy Receiver filed a Motion for Summary Judgment asserting, inter alia, that the defects in Petitioners' lawn, sidewalk and driveway were excluded from coverage by the express terms of the HOW Builder's Limited Warranty Coverage, and the Petitioners' subsequently filed a response opposing the motion;

WHEREAS, on October 25, 1996, the Commission's Senior Hearing Examiner filed his Final Report, wherein he found that the Petitioners' claim was specifically excluded from coverage by the express terms of the HOW Builder's Limited Warranty Coverage and recommended that: (i) the Deputy Receiver's Motion for Summary Judgment be granted; and (ii) the Deputy Receiver's Determination of Appeal in Claim No. D0493 be affirmed;

THE COMMISSION, having considered the record herein and the report of its Senior Hearing Examiner, adopts the Senior Hearing Examiner's findings as its own;

THEREFORE, IT IS ORDERED THAT:

(1) The Deputy Receiver's Motion for Summary Judgment be, and it is hereby, GRANTED;

(2) The Petition of Wendell P. and Vanessa C. Tyler for review of the Deputy Receiver's Determination of Appeal be, and it is hereby, DENIED;

(3) The Deputy Receiver's Determination of Appeal in Claim No. D0493 be, and it is hereby, AFFIRMED; and

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

CASE NO. INS960210
OCTOBER 16, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
MARCENA P. WALKER,
Defendant

ORDER REVOKING LICENSE

IT APPEARING from an investigation by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia as an insurance agent, in certain instances, violated Virginia Code § 38.5-512 by making false or fraudulent statements on or relative to an application for an insurance policy for the purpose of obtaining a fee or commission;

IT FURTHER APPEARING that the Commission is authorized by 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 2, 1996, and mailed to the Defendant's address shown in the records of the Bureau of Insurance;

IT FURTHER APPEARING that Defendant, having been advised in the aforesaid manner of her right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau of Insurance;

IT FURTHER APPEARING that the Bureau of Insurance, upon Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent; and

THE COMMISSION is of the opinion and finds that Defendant has violated Virginia Code § 38.5-512 by making false or fraudulent statements on or relative to an application for an insurance policy for the purpose of obtaining a fee or commission;

THEREFORE, IT IS ORDERED THAT:

(1) The licenses of Defendant to transact the business of insurance as an agent in the Commonwealth of Virginia be, and they are hereby, revoked;

(2) All appointments issued under said licenses be, and they are hereby, void;

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

(4) Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to two (2) years from the date of this order;

(5) The Bureau of Insurance cause a copy of this order to be sent to every insurance company for which Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

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

CASE NO. INS960210
NOVEMBER 6, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
MARCENA P. WALKER,
Defendant

ORDER GRANTING MOTION FOR STAY

GOOD CAUSE having been shown, the execution of the Order Revoking License entered herein on October 16, 1996, is hereby stayed until further order of the Commission.

CASE NO. INS960210
NOVEMBER 18, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
MARCENA P. WALKER,
Defendant

AMENDED SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated Virginia Code § 38.2-512 by making false or fraudulent statements on or relative to an application for an insurance policy for the purpose of obtaining a fee or commission;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-319 and 38.2-1831 to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that Defendant has committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendant has been advised of her 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 one thousand dollars ($1,000), has waived her 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 THAT:

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

(2) The Order Revoking License entered herein October 16, 1996, be, and it is hereby, VACATED;

(3) The Order Granting Motion for Stay entered herein November 6, 1996, be, and it is hereby, VACATED;

(4) Defendant cease and desist from any conduct which constitutes a violation of Virginia Code § 38.2-512; and

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

CASE NO. INS960226
AUGUST 28, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
MONA S. MACLAURY,
Defendant

ORDER REVOKING LICENSE

IT APPEARING from an investigation by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia as an insurance agent, in certain instances, violated Virginia Code §§ 38.2-1809, 38.2-1813, and 38.2-1822 by failing to provide certain business records to the Bureau of Insurance after a request therefor, by failing to hold certain funds in a fiduciary capacity, and by failing to notify the Bureau of Insurance of the use of an assumed or fictitious name;

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 31, 1996, and mailed to the Defendant's address shown in the records of the Bureau of Insurance;

IT FURTHER APPEARING that Defendant, having been advised in the aforesaid manner of her right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau of Insurance;

IT FURTHER APPEARING that the Bureau of Insurance, upon Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent; and

THE COMMISSION is of the opinion and finds that Defendant has violated Virginia Code §§ 38.2-1809, 38.2-1813, and 38.2-1822 by failing to provide certain business records to the Bureau of Insurance after a request therefor, by failing to hold certain funds in a fiduciary capacity, and by failing to notify the Bureau of Insurance of the use of an assumed or fictitious name;

THEREFORE, IT IS ORDERED THAT:

(1) The licenses of Defendant to transact the business of insurance as an agent in the Commonwealth of Virginia be, and they are hereby, revoked;

(2) All appointments issued under said licenses be, and they are hereby, void;

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

(4) Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to two (2) years from the date of this order;

(5) The Bureau of Insurance cause a copy of this order to be sent to every insurance company for which Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

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

CASE NO. INS960234
OCTOBER 23, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
REGINALD J. HOWARD,
Defendant

ORDER REVOKING LICENSE

IT APPEARING from an investigation by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia as an insurance agent, in certain instances, violated Virginia Code § 38.2-1813 by failing to account for and remit in the ordinary course of business 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 August 28, 1996 and mailed to the Defendant's address shown in the records of the Bureau of Insurance;

IT FURTHER APPEARING that Defendant, having been advised in the aforesaid manner of his right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau of Insurance;

IT FURTHER APPEARING that the Bureau of Insurance, upon Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent; and

THE COMMISSION is of the opinion and finds that Defendant has violated Virginia Code § 38.2-1813 by failing to account for and remit in the ordinary course of business certain premiums collected on behalf of Home Beneficial Life Insurance Company;

THEREFORE, IT IS ORDERED THAT:

(1) The licenses of Defendant to transact the business of insurance as an agent in the Commonwealth of Virginia be, and they are hereby, revoked;

(2) All appointments issued under said licenses be, and they are hereby, void;

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

(4) Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to two (2) years from the date of this order;

(5) The Bureau of Insurance cause a copy of this order to be sent to every insurance company for which Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

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

CASE NO. INS960235
SEPTEMBER 6, 1996

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

IMPAIRMENT ORDER

WHEREAS, U.S. Capital Insurance Company, a foreign corporation domiciled in the State of New York and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, is required to maintain minimum surplus of $3,000,000;

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 June 30, 1996, Quarterly Statement filed with the Commission's Bureau of Insurance, indicates a surplus of $2,436,847;

IT IS ORDERED that, on or before November 8, 1996, Defendant eliminate the impairment in its surplus and restore the same to at least $3,000,000 and advise the Commission of the accomplishment thereof by affidavit of Defendant's president or other authorized officer.

IT IS FURTHER ORDERED that Defendant shall issue no new contracts or policies of insurance in the Commonwealth of Virginia while impairment of Defendant's surplus exists and until further order of the Commission.

CASE NO. INS960235
NOVEMBER 18, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
U.S. CAPITAL 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 September 6, 1996, Defendant was ordered to eliminate the impairment in its surplus and restore the same to at least $3,000,000 and advise the Commission of the accomplishment thereof by affidavit of Defendant's president or other authorized officer on or before November 8, 1996; and

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

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to November 25, 1996, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before November 25, 1996, 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. INS960235
DECEMBER 9, 1996

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

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein November 18, 1996, Defendant was ordered to take notice that the Commission would enter an order subsequent to November 25, 1996, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before November 25, 1996, Defendant filed with the Clerk of the Commission a request for a hearing before the Commission to contest the proposed suspension of Defendant's license; and

WHEREAS, as of the date of this Order, Defendant has not filed a request to be heard before the Commission with respect to the proposed suspension of Defendant's license;

THEREFORE, IT IS ORDERED THAT:

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

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

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

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

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

CASE NO. INS960235
DECEMBER 13, 1996

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

VACATING ORDER

GOOD CAUSE having been shown, the Order Suspending License entered herein December 9, 1996, is hereby vacated.

CASE NO. INS960235
DECEMBER 13, 1996

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

AMENDED ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein November 18, 1996, Defendant was ordered to take notice that the Commission would enter an order subsequent to November 25, 1996, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before November 25, 1996, Defendant filed with the Clerk of the Commission a request for a hearing before the Commission to contest the proposed suspension of Defendant's license; and

WHEREAS, as of the date of this Order, Defendant has not filed a request to be heard before the Commission with respect to the proposed suspension of Defendant's license;

THEREFORE, IT IS ORDERED THAT:

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

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

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

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

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

CASE NO. INS960242
OCTOBER 16, 1996

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated Virginia Code §§ 38.2-502.1, 38.2-502.4, 38.2-502.5, 38.2-503, 38.2-510, 38.2-511, 38.2-305.B, 38.2-316.B, 38.2-316.C, 38.2-1812.A, 38.2-1822.A, 38.2-1833.A.1, and 38.2-1834.C, as well as 14 VAC 5-30, 14 VAC 5-40, 14 VAC 5-80, and 14 VAC 5-180;

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 forty thousand dollars ($40,000) 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 THAT:

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

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

CASE NO. INS960244
OCTOBER 24, 1996

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

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated Virginia Code §§ 38.2-1812 and 38.2-1822, as well as 14 VAC 5-30-30 by paying commissions to a certain person for services as an insurance agent when such person was neither licensed as an insurance agent by the Commission or an appointed insurance agent of the company, and by failing to provide a certain insurer with notice of an insurance policy replacement;

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 five hundred dollars ($7,500), has waived its right to a hearing and has agreed to the entry by the Commission of a cease and desist order; and

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

IT IS ORDERED THAT:

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

(2) Defendant cease and desist from any conduct which constitutes a violation of Virginia Code § 38.2-1812 or 38.2-1822, as well as 14 VAC 5-30-30; and

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

CASE NO. INS960246
OCTOBER 23, 1996

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated Virginia Code §§ 38.2-231, 38.2-304, 38.2-305, 38.2-502, 38.2-510.A1, 38.2-510.A2, 38.2-510.A10, 38.2-510.C, 38.2-1904, 38.2-1906, 38.2-2014, 38.2-2113, 38.2-2114, 38.2-2119, 38.2-2202, 38.2-2208, 38.2-2212, 38.2-2214 and 38.2-2220, as well as 14 VAC 5-400-30, 14 VAC 5-400-40.A and 14 VAC 5-400-70.A;

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 forty thousand dollars ($40,000), 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 THAT:

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

(2) Defendant cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-231, 38.2-304, 38.2-305, 38.2-502, 38.2-510.A1, 38.2-510.A2, 38.2-510.A10, 38.2-510.C, 38.2-1904, 38.2-1906, 38.2-2014, 38.2-2113, 38.2-2114, 38.2-2119, 38.2-2202, 38.2-2208, 38.2-2212, 38.2-2214 or 38.2-2220, as well as 14 VAC 5-400-30, 14 VAC 5-400-40.A or 14 VAC 5-400-70; and

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

CASE NO. INS960247
SEPTEMBER 23, 1996

APPLICATION OF
COASTAL STATES LIFE INSURANCE COMPANY IN REHABILITATION

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

ORDER APPROVING APPLICATION

ON A FORMER DAY came Coastal States Life Insurance Company in Rehabilitation ("Coastal States"), by its rehabilitator, and filed with the Commission an application requesting approval of an assumption reinsurance agreement pursuant to Virginia Code § 38.2-136.C., whereby Security First Life Insurance Company, a Delaware-domiciled insurer licensed to transact the business of insurance in the Commonwealth of Virginia, would assume Coastal States' deferred annuity contracts, single premium immediate annuity contracts and universal life policies;

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

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

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

CASE NO. INS960248
SEPTEMBER 23, 1996

APPLICATION OF
NATIONAL ALLIANCE FOR RISK MANAGEMENT MANUFACTURERS' GROUP SELF-INSURANCE ASSOCIATION OF VIRGINIA,
NATIONAL ALLIANCE FOR RISK MANAGEMENT SERVICES' GROUP SELF-INSURANCE ASSOCIATION OF VIRGINIA
and
NATIONAL ALLIANCE FOR RISK MANAGEMENT MERCANTILE GROUP SELF-INSURANCE ASSOCIATION OF VIRGINIA

ORDER APPROVING APPLICATION

ON A FORMER DAY came National Alliance for Risk Management Manufacturers' Group Self-Insurance Association of Virginia, National Alliance for Risk Management Services' Group Self-Insurance Association of Virginia, and National Alliance for Risk Management Mercantile Group Self-Insurance Association of Virginia ("the Associations"), by the Chairmen of the Board of the Associations, and filed with the Commission an application requesting approval of an assumption reinsurance agreement pursuant to Virginia Code § 38.2-136.C., whereby RISCORP National Insurance Company, a Missouri-domiciled insurer licensed to transact the business of insurance in the Commonwealth of Virginia, would assume all of the Associations' insurance business;

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

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

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

CASE NO. INS960250
OCTOBER 16, 1996

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated Virginia Code §§ 38.2-502.1, 38.2-510.A.5, 38.2-510.A.10, 38.2-514.A, 38.2-316.B, 38.2-316.C, 38.2-606.8, 38.2-1812.A, 38.2-1822.A, and 38.2-3115.B, as well as 14 VAC 5-30 and 14 VAC 5-40;

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 seventeen thousand dollars ($17,000) and has waived its right to a hearing; and

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

IT IS ORDERED THAT:

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

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

CASE NO. INS960267
OCTOBER 23, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
ALLSTATE INDEMNITY COMPANY,
Defendant

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated Virginia Code §§ 38.2-231, 38.2-508, 38.2-510.A1, 38.2-510.A6, 38.2-510.A10, 38.2-1822, 38.2-1833, 38.2-1904, 38.2-1905, 38.2-1906, 38.2-2014, 38.2-2113, 38.2-2114, 38.2-2119, 38.2-2202, 38.2-2206, 38.2-2208, 38.2-2212, 38.2-2214 and 38.2-2220, as well as 14 VAC 5-400-30, 14 VAC 5-400-40.A and 14 VAC 5-400-70.A;

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 THAT:

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

(2) Defendant cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-231, 38.2-508, 38.2-510.A1, 38.2-510.A6, 38.2-510.A10, 38.2-1822, 38.2-1833, 38.2-1904, 38.2-1905, 38.2-1906, 38.2-2014, 38.2-2113, 38.2-2114, 38.2-2119, 38.2-2202, 38.2-2206, 38.2-2208, 38.2-2212, 38.2-2214 or 38.2-2220, as well as 14 VAC 5-400-30, 14 VAC 5-400-40.A or 14 VAC 5-400-70.A; and

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

CASE NO. INS960268
OCTOBER 21, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
CHRISTOPHER LARRY SULLIVAN,
Defendant

ORDER REVOKING LICENSE

IT APPEARING from an investigation by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia as an insurance agent, in certain instances, violated Virginia Code § 38.2-1809 by failing to provide certain insurance agency records for examination by employees of the Bureau of Insurance;

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 11, 1996, and mailed to the Defendant's address shown in the records of the Bureau of Insurance;

IT FURTHER APPEARING that Defendant, having been advised in the aforesaid manner of his right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau of Insurance;

IT FURTHER APPEARING that the Bureau of Insurance, upon Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent; and

THE COMMISSION is of the opinion and finds that Defendant has violated Virginia Code § 38.2-1809 by failing to provide certain insurance agency records for examination by employees of the Bureau of Insurance;

THEREFORE, IT IS ORDERED THAT:

(1) The licenses of Defendant to transact the business of insurance as an agent in the Commonwealth of Virginia be, and they are hereby, revoked;

(2) All appointments issued under said licenses be, and they are hereby, void;

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

(4) Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to two (2) years from the date of this order;

(5) The Bureau of Insurance cause a copy of this order to be sent to every insurance company for which Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

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

CASE NO. INS960273
OCTOBER 9, 1996

APPLICATION OF
GEORGE WASHINGTON LIFE INSURANCE COMPANY, IN LIQUIDATION

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

ORDER APPROVING APPLICATION

ON A FORMER DAY came George Washington Life Insurance Company, In Liquidation ("George Washington"), by its receiver, and filed with the Commission an application requesting approval of an assumption reinsurance agreement pursuant to Virginia Code § 38.2-136.C., whereby United Teacher Associates Insurance Company, a Texas-domiciled insurer licensed to transact the business of insurance in the Commonwealth of Virginia, would assume George Washington's health insurance policies;

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

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

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

CASE NO. INS960282
NOVEMBER 8, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
GENERAL ACCIDENT INSURANCE 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 § 38.2-1906 by failing to file timely with the Commission a revised policy effective date;

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 THAT:

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

(2) Defendant cease and desist from any conduct which constitutes a violation of Virginia Code § 38.2-1906; and

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

CASE NO. INS960286
NOVEMBER 7, 1996

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated Virginia Code §§ 38.2-305, 38.2-610, 38.2-1833, 38.2-1905, 38.2-1906, 38.2-2208, 38.2-2212 and 38.2-2220, as well as 14 VAC 5-400-30 and 14 VAC 5-400-40.A;

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 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 THAT:

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

(2) Defendant cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-305, 38.2-610, 38.2-1833, 38.2-1905, 38.2-1906, 38.2-2208, 38.2-2212 or 38.2-2220, as well as 14 VAC 5-400-30 or 14 VAC 5-400-40.A; and

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

CASE NO. INS960287
NOVEMBER 18, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
LIBERTY MUTUAL INSURANCE COMPANY
and
LIBERTY MUTUAL FIRE INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendants, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated certain sections of the Code of Virginia, to wit: Liberty Mutual Insurance Company violated Virginia Code §§ 38.2-231, 38.2-304, 38.2-317, 38.2-510.A.6, 38.2-510.A.10, 38.2-1904, 39.2-1906, 38.2-2005, 38.2-2014, 38.2-2206 and 38.2-2220, as well as 14 VAC 5-390-40.D, 14 VAC 5-400-30 and 14 VAC 5-400-40.A; Liberty Mutual Fire Insurance Company violated Virginia Code §§ 38.2-231, 38.2-304, 38.2-305, 38.2-317, 38.2-1904, 38.2-1906, 38.2-2014 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 nineteen thousand dollars ($19,000), 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 THAT:

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

(2) Liberty Mutual Insurance Company cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-231, 38.2-304, 38.2-317, 38.2-510.A.6, 38.2-510.A.10, 38.2-1904, 38.2-1906, 38.2-2005, 38.2-2014, 38.2-2206 or 38.2-2220, as well as 14 VAC 5-390-40.D, 14 VAC 5-400-30 or 14 VAC 5-400-40.A;

(3) Liberty Mutual 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, 38.2-1904, 38.2-1906, 38.2-2014 or 38.2-2220; and

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

CASE NO. INS960288
NOVEMBER 18, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
WILLIAM A. STAFFORD, II,
Defendant

ORDER REVOKING LICENSE

IT APPEARING from an investigation by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia as an insurance agent, in certain instances, committed acts that would result in Defendant's license to transact the business of insurance in the Commonwealth of Virginia to be revoked pursuant to Virginia Code § 38.2-1831.9;

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, 1996, and mailed to the Defendant's address shown in the records of the Bureau of Insurance;

IT FURTHER APPEARING that Defendant, having been advised in the aforesaid manner of his right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau of Insurance;

IT FURTHER APPEARING that the Bureau of Insurance, upon Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent; and

THE COMMISSION is of the opinion and finds that Defendant has committed acts that would result in Defendant's license to transact the business of insurance in the Commonwealth of Virginia to be revoked pursuant to Virginia Code § 38.2-1831.9;

THEREFORE, IT IS ORDERED THAT:

(1) The licenses of Defendant to transact the business of insurance as an agent in the Commonwealth of Virginia be, and they are hereby, revoked;

(2) All appointments issued under said licenses be, and they are hereby, void;

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

(4) Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to two (2) years from the date of this order;

(5) The Bureau of Insurance cause a copy of this order to be sent to every insurance company for which Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

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

CASE NO. INS960315
NOVEMBER 12, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
DONG YOUNG SHIN,
Defendant

ORDER REVOKING LICENSE

IT APPEARING from an investigation by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia as an insurance agent, in certain instances, violated Virginia Code §§ 38.2-1809 and 38.2-1813 by failing to provide certain documents for examination to representatives of the Bureau of Insurance, and by failing to remit certain funds to an insurer or premium finance company in the ordinary course of business;

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 16, 1996, and mailed to the Defendant's address shown in the records of the Bureau of Insurance;

IT FURTHER APPEARING that Defendant, having been advised in the aforesaid manner of his right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau of Insurance;

IT FURTHER APPEARING that the Bureau of Insurance, upon Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent; and

THE COMMISSION is of the opinion and finds that Defendant has violated Virginia Code §§ 38.2-1809 and 38.2-1813 by failing to provide certain documents to representatives of the Bureau of Insurance, and by failing to remit certain funds to an insurer or premium finance company in the ordinary course of business;

THEREFORE, IT IS ORDERED THAT:

(1) The licenses of Defendant to transact the business of insurance as an agent in the Commonwealth of Virginia be, and they are hereby, revoked;

(2) All appointments issued under said licenses be, and they are hereby, void;

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

(4) Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to two (2) years from the date of this order;

(5) The Bureau of Insurance cause a copy of this order to be sent to every insurance company for which Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

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

CASE NO. INS960357
DECEMBER 19, 1996

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

IMPAIRMENT ORDER

WHEREAS, Coronet 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 surplus of $3,000,000;

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 September 30, 1996, Quarterly Statement filed with the Commission's Bureau of Insurance, indicates a negative surplus of ($11,796,402);

IT IS ORDERED that, on or before February 10, 1997, Defendant eliminate the impairment in its surplus and restore the same to at least $3,000,000 and advise the Commission of the accomplishment thereof by affidavit of Defendant's president or other authorized officer.

IT IS FURTHER ORDERED that Defendant shall issue no new contracts or policies of insurance in the Commonwealth of Virginia while impairment of Defendant's surplus exists and until further order of the Commission.

DIVISION OF PUBLIC SERVICE TAXATION

CASE NOS. PST920007 and PST930001
JANUARY 24, 1996

APPLICATION OF
THE COUNTY OF LOUISA

For review and correction of assessments of heat, water, light and power corporations; gas and pipeline distribution corporations; and telecommunications companies-tax year 1992; and for a declaratory judgment

and

APPLICATION OF
THE COUNTY OF LOUISA

For review and correction of assessments of heat, water, light and power corporations; gas and pipeline distribution corporations; and telecommunications companies-tax year 1993; and for a declaratory judgment

DISMISSAL ORDER

Before the Commission is the motion of the Commission Staff to dismiss these applications on the grounds that all issues have been addressed and resolved by the Commission in a prior proceeding. On January 18, 1996, the County of Louisa advised the Clerk of the Commission that it wished to withdraw its captioned applications and that it joined with the Staff in urging dismissal.

UPON CONSIDERATION of the motion and the County of Louisa's response, the Commission will dismiss these applications. Accordingly,

IT IS ORDERED THAT Case No. PST920007 and Case No. PST930001 be dismissed from the Commission's docket and that all papers therein be transferred to the files for ended proceedings.

CASE NO. PST950001
OCTOBER 4, 1996

APPLICATION OF
WORLDCOM, INC., d/b/a LDDS WORLDCOM, INC.

For review and correction of the assessment for 1995 of telecommunications companies

ORDER GRANTING APPLICATION, AS AMENDED, AND CONTINUING CASE GENERALLY

Before the Commission is the application of Worldcom, Inc. doing business in Virginia as LDDS Worldcom, Inc. ("Worldcom") for review and correction of the tax year 1995 assessments of the value of its property in several counties and cities. As previously ordered, Worldcom gave notice of its application to affected localities and filed a certificate of service with the Clerk of the Commission on July 18, 1996. It appears to the Commission that Worldcom has given proper notice of this application to all affected counties and cities.

Only one affected locality, Arlington County, filed a Notice of Protest with the Clerk of the Commission. On September 23, 1996, Worldcom filed its "Motion to Strike Arlington County from Application for Review and Correction of its Tax-Year 1995 Assessment," to remove from consideration all property located in that jurisdiction. It is well established in Virginia law that leave to amend pleadings should be liberally granted, and the Commission will grant Worldcom's motion. Since the 1995 assessment of the value of telecommunications property in Arlington County will now not be affected by this proceeding, the county's notice of protest becomes moot.

In the absence of any other notice of protest or other comment, the Commission will consider this matter on the basis of the application filed December 18, 1995, supplemented May 29, 1996, and amended as discussed in the preceding paragraph. Worldcom states in its application that it inadvertently reported for tax year 1995 annual lease payments totaling $223,305 as costs of property acquired in several localities. According to the Company, this error resulted in the overstatement of the Commission's assessed values of a number of properties, and Worldcom now seeks reduction of the overstated values.

Upon consideration of Worldcom's application, the Commission will grant the requested relief subject to future audit and review of Worldcom's books and records.[1] This case will be continued generally until an audit may be conducted. The Commission may, by subsequent order make supplemental assessments for tax year 1995 for omitted or under-reported property. Accordingly,

[1] The tax year 1995 assessments of the value of property were made in Worldcom's former name, LDDS Communications, Inc., and the correction will be made to assessments will be made in that name.

IT IS ORDERED THAT:

(1) Worldcom, Inc. d/b/a LDDS Worldcom, Inc.'s Motion to Strike Arlington County from Application for Review and Correction IS GRANTED.

(2) The application of Worldcom, Inc. d/b/a LDDS Worldcom, Inc., as amended herein, IS GRANTED to the extent discussed in this order.

(3) That the Statement Showing the Equalized Assessed Value As of the Beginning of the First Day of January, 1995 of the Property of Telecommunications Companies (Local Exchange Telephone Services, Interexchange Services, Radio Common Carrier Systems, Cellular Mobile Radio Communications Systems, and Telegraph Services) in the Commonwealth of Virginia and the Regulatory Revenue Taxes Extended for the Year 1995 Made by the State Corporation Commission of Virginia IS AMENDED beginning at page 126 for LDDS Communications, Inc. as follows:

Norfolk City

Page 126 - Under column headed "Value of land (other than right of way) and buildings", strike out 55,733 and insert, in lieu thereof, 4,223.

Page 126 - Under column headed "Total value of all Tangible Property", strike out 121,321 and insert, in lieu thereof, 69,811.

Virginia Beach City

Page 126 - Under column headed "Value of land (other than right of way) and buildings", strike out 29,350 and insert, in lieu thereof, -0-.

Page 126 - Under column headed "Total value of all Tangible Property", strike out 50,809 and insert, in lieu thereof, 21,459.

Henrico County
All Districts (Exc. Sanitary Dist. 2 & 3)

Page 127 - Under column headed "Value of land (other than right of way) and buildings", strike out 226,214 and insert, in lieu thereof, 211,077.

Page 127 - Under column headed "Total value of all Tangible Property", strike out 393,619 and insert, in lieu thereof, 378,482.

Henry County
All Districts

Page 127 - Under column headed "Value of land (other than right of way) and buildings", strike out 30,590 and insert, in lieu thereof, 29,655.

Page 127 - Under column headed "Total value of all Tangible Property", strike out 129,966 and insert, in lieu thereof, 129,031.

Roanoke County
All Districts

Page 128 - Under column headed "Value of land (other than right of way) and buildings", strike out 8,798 and insert, in lieu thereof, -0-.

Page 128 - Under column headed "Total value of all Tangible Property", strike out 14,223 and insert, in lieu thereof, 5,425.

Aggregate

Page 128 - Under column headed "Value of land (other than right of way) and buildings", strike out 1,114,742 and insert, in lieu thereof, 1,009,012.

Page 128 - Under column headed "Total value of all Tangible Property", strike out 3,333,606 and insert, in lieu thereof, 3,227,876.

(4) The Commission's Public Service Taxation Division SHALL PROVIDE copies of this order to all affected counties and cities.

(5) This case BE CONTINUED Generally for the reasons discussed in this order.

DIVISION OF PUBLIC UTILITY ACCOUNTING

CASE NO. PUA940025
SEPTEMBER 25, 1996

APPLICATION OF
THE POTOMAC EDISON COMPANY

For approval to enter into an Emission Allowance Management Agreement with Affiliates

ORDER DENYING APPROVAL

On June 29, 1994, The Potomac Edison Company ("Potomac," "Company," "Applicant") filed an application with the Commission under the Public Utilities Affiliates Act requesting approval to enter into an Emission Allowance Management Agreement (the "Agreement") with its affiliates, Monongahela Power Company and West Penn Power Company (the "Affiliates"). The purpose of the Agreement is to manage and coordinate among Company and the Affiliates the Emission Allowances, created under the Clean Air Act Amendments of 1990 ("CAAA"), acquired by Company and the Affiliates. Potomac represents that Company and the Affiliates are operated as part of an integrated and registered public utility holding company system under the Public Utility Holding Company Act of 1935.

Company states in its application that the management and coordination of the Emission Allowances acquired by Company and the Affiliates is an important part of maintaining the efficient operation of the integrated power system. The Agreement was filed with the Federal Energy Regulatory Commission (the "FERC") on June 21, 1994.

The Agreement

The Agreement calls for the operations of Allegheny Power System ("APS") under the Agreement to be conducted under the direction of an Emission Allowance Management Committee (the "Committee") which will establish general policies for the acquisition, accounting, allocation, disposition, and use of Emission Allowances by Company and the Affiliates to the end that the advantages to be derived therefrom may be realized to the fullest practicable extent. The Committee will be made up of three (3) members and a Chairman.

Under the Agreement, the general principle upon which the Emission Allowance allocation and accounting will be based is that all Emission Allowances acquired directly or indirectly by Company and/or the Affiliates will be considered to be APS Emission Allowances Inventory ("Inventory"), and the acquisition, use, and disposition thereof will be determined by the Agreement and the Committee established under the Agreement.

According to the Agreement, Inventory will be maintained in accordance with applicable FERC and state regulatory agency accounting requirements. In addition, the Committee may notify the Environmental Protection Agency ("EPA") that all Emission Allowances awarded by it to individual generating unit accounts maintained by Company and the Affiliates are to be transferred to an EPA-registered APS general account as long as such a transfer does not interfere with EPA's verification of unit accounts for yearly emissions. Each participant in the Agreement will hold inventory sub-accounts, which will be established and maintained in accordance with the provisions of the Agreement and procedures adopted by the Committee.

The Agreement further states that, if at any time the inventory of Potomac or the Affiliates reaches zero, participant and the Committee will determine the manner in which the participant's emission responsibility will be met. If the acquisition of Emission Allowances is necessary, the Committee will establish procedures to determine whether such acquisition will be by borrowing from, or by purchase from, another participant(s) or a non-affiliated source. If the required Emission Allowances are to be acquired by purchase from another participant(s), the purchase will be made at a price based on available market price information and in amounts which, in total, will be consistent with inventory levels established in the Agreement. Unless the Committee should otherwise direct, any Emission Allowances purchased from non-affiliated sources will be allocated among the participants in a manner to reflect as nearly as possible their relative shares of Inventory at the beginning of that calendar year.

According to the Agreement, Bonus and Extension Emission Allowances distributed to the participants by EPA as the result of the installation of flue gas desulfurization systems at Harrison Generating Station will be allocated to the participants' inventory sub-accounts according to their Harrison Generating Station capacity ownership. Unless otherwise directed by the Committee, Emission Allowances awarded by EPA to the participants under any future special Emission Allowance award program will be allocated to the participants' inventory sub-accounts based on their respective shares of the costs of implementing the program for which the Emission Allowance award is made. Table "A" Emission Allowances will be allocated to the participants' inventory sub-accounts based on the participants' ownership ratios of Affected Generating Capacity.

Concerning allocation of sales of Emission Allowances, sales (other than sales at auction or otherwise of government-retained Emission Allowances conducted by EPA) and all proceeds therefrom will be shared by the participants in proportion to their respective ownership of Inventory at the beginning of the month in which the sale is made. Sales of Emission Allowances conducted by EPA (not including those Emission Allowances contributed for auction by the participants) and proceeds therefrom will be shared by the participants in proportion to their ownership of the generating capacity from which the Emission Allowance allocation was retained. All purchases of Emission Allowances and costs thereof will be shared by the participants in proportion to their relative ownership of Inventory at the beginning of the month in which the purchase is made. Any costs, benefits, or effects on Inventory associated with non-affiliated trading of Emission Allowances on a "futures" or forward basis will be allocated to the participants based on their ownership ratios of total Affected Generating Capacity in the year(s) addressed by the forward transaction(s). Five (5) years' written notice is required of any participant in order to terminate the Agreement.

NOW THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion that the application should be denied. In our opinion, Potomac has not shown that the allocation methodology prescribed for the Agreement is

in the public interest. We are concerned that an allocation based on ownership ratios of the Affected Generating Capacity does not take into account the capacity cost allocations resulting from Schedule A of the Power Supply Agreement between the participants. An operating company whose required capacity exceeds accredited capacity, such as Potomac, pays more in capacity costs as a function of the Power Supply Agreement than its relative share based on ownership percentages. As a consequence, it is felt, such a deficit company should receive a correspondingly greater allocation of the associated Emission Allowances than would be the case under the Agreement. We, therefore, conclude that Applicant has not met its burden of demonstrating that the proposed arrangement is in the public interest. Accordingly,

IT IS ORDERED:

1) That, pursuant to § 56-77 of the Virginia Code, The Potomac Edison Company's application for approval to enter into an Emission Allowance Management Agreement with the Affiliates be, and the same is hereby, denied; and

2) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed without prejudice to any future filing.

CASE NO. PUA950004
NOVEMBER 4, 1996

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.

For approval to provide to or purchase from affiliates certain goods and services

DISMISSAL ORDER

On January 26, 1995, United Telephone-Southeast, Inc. ("United" or the "Company") filed an application with the Commission under the Public Utility Affiliates Act for approval to provide to or purchase from affiliates certain goods and services. After a number of discussions regarding the scope of the application, the Company advised by letter dated April 26, 1996, that it intends to withdraw the application. By letter dated October 4, 1996, United withdrew its application.

NOW THE COMMISSION, upon consideration of the Company's desire to withdraw its application and having been advised by its Staff, is of the opinion that the Company's application should be withdrawn and that the matter should be dismissed. Accordingly,

IT IS ORDERED THAT:

1) Case No. PUA950004 is hereby withdrawn.

2) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA950005
NOVEMBER 4, 1996

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For approval to provide to or purchase from affiliates certain goods and services

DISMISSAL ORDER

On January 26, 1995, Central Telephone Company of Virginia ("Central" or the "Company") filed an application with the Commission under the Public Utility Affiliates Act for approval to provide to or purchase from affiliates certain goods and services. After a number of discussions regarding the scope of the application, the Company advised by letter dated April 26, 1996, that it intends to withdraw the application. By letter dated October 4, 1996, Central withdrew its application.

NOW THE COMMISSION, upon consideration of the Company's desire to withdraw its application and having been advised by its Staff, is of the opinion that the Company's application should be withdrawn and that the matter should be dismissed. Accordingly,

IT IS ORDERED THAT:

1) Case No. PUA950005 is hereby withdrawn.

2) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA950025
JULY 18, 1996

APPLICATION OF
COMMONWEALTH GAS SERVICES, INC.

For approval of agreements with affiliates

ORDER GRANTING APPROVAL

Commonwealth Gas Services, Inc. ("Commonwealth," "Company," "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act requesting approval of certain supply-related affiliate agreements and policies. The affiliates involved are Columbia Gulf Transmission Company ("Columbia Gulf"), Columbia Gas Transmission Corporation ("Columbia Transmission"), Cove Point LNG Limited Partnership ("Cove Point LNG"), and Commonwealth Propane, Inc. ("Propane"), collectively referred to as "Affiliates." Company requests approval of each agreement to be effective as of the effective date of each such agreement. The supply-related policies are requested prospectively since the policies have not been formulated previously.

As stated in the application, Columbia Gulf is engaged in the transmission of natural gas in interstate commerce, and Columbia Transmission and Cove Point LNG are engaged in the transmission and storage of natural gas in interstate commerce, all subject to regulatory jurisdiction of the Federal Energy Regulatory Commission ("FERC"). Propane is a Virginia business corporation engaged in the marketing of propane throughout Virginia. Columbia Gulf, Columbia Transmission, and Propane are all wholly-owned subsidiaries of the Columbia Gas System ("System"). CLNG Corporation ("CLNG") is a general partner of Cove Point LNG with a 1% interest, and Columbia LNG Corporation ("Columbia LNG") is a limited partner with a 49% interest. CLNG is a wholly-owned subsidiary of Columbia LNG, which in turn, is owned 91.81% by System and 8.19% by Shell Consolidated Resources, Inc.

Commonwealth states that it has received FERC-regulated interstate natural gas transmission service from Columbia Gulf and transmission and storage service from Columbia Transmission for many years. Commonwealth also has contracted with Cove Point LNG for FERC-regulated peaking service scheduled to begin September 1, 1995. Commonwealth has been of the opinion that such agreements did not require Commission approval.

Over the years, Company also has developed informal policies regarding certain supply-related transactions with its Affiliates that are not formal "agreements" but which may constitute "arrangements" under the Affiliates Act. These include policies for acquisition and disposition of capacity under the Capacity Release aspects of FERC Order 636, for establishment of points of Delivery ("POD") on upstream pipelines, purchases of propane from Propane on a spot market basis for resale under Commonwealth's Metered Propane Service ("MPS") Rate Schedule MPS and use in Commonwealth's peak shaving facilities, and for execution of revised and new transportation agreements with Affiliates. Commonwealth states that it has not sought Affiliates Act approval for these policies because they were supply-related and because they were not formal agreements and did not appear to rise to the level of "arrangements" within the contemplation of the Affiliates Act.

Commonwealth states in its application that the impact of the transactions on its cost of service to its customers and specifically on Commonwealth's cost of gas, has been reviewed and approved on a regular basis over the years by the Staff and the Commission either in the context of Purchased Gas Adjustment ("PGA") filings and Annual Cost Adjustment ("ACA") filings or in base rate cases or Annual Informational Filing ("AIF") proceedings.

Service Agreements with Columbia Gulf

1) Service Agreement No. 37384 for gas transportation services under FTS-2 Rate Schedule and applicable General Terms and Conditions on file with FERC, effective date of November 1, 1993 (Ex. 1).

2) Service Agreement No. 37385 for gas transportation services under FTS-2 Rate Schedule and applicable General Terms and Conditions on file with FERC, effective date of November 1, 1993 (Ex. 2).

3) Service Agreement No. 37386 for gas transportation services under FTS-2 Rate Schedule and applicable Terms and Conditions on file with FERC, effective date of November 1, 1993 (Ex. 3).

4) Service Agreement No. 37387 for gas transportation services under FTS-2 Rate Schedule and applicable General Terms and Conditions on file with FERC, effective date of November 1, 1993 (Ex. 4).

5) Service Agreement No. 37388 for gas transportation services under FTS-2 Rate Schedule and applicable General Terms and Conditions on file with FERC, effective date of November 1, 1993 (Ex. 5).

6) Service Agreement No. 37389 for gas transportation services under FTS-2 Rate Schedule and applicable General Terms and Conditions on file with FERC, effective date of November 1, 1993 (Ex. 6).

7) Service Agreement No. 37390 for gas transportation services under FTS-2 Rate Schedule and applicable General Terms and Conditions on file with FERC, effective date of November 1, 1993 (Ex. 7).

8) Service Agreement No. 37391 for gas transportation services under FTS-2 Rate Schedule and applicable General Terms and Conditions on file with FERC, effective date of November 1, 1993 (Ex. 8).

9) Service Agreement No. 37425 for gas transportation services under FTS-2 Rate Schedule and applicable General Terms and conditions on file with FERC, effective date of November 1, 1993 (Ex. 9).

10) Assignment Agreement No. 37864 assigning to Commonwealth transportation capacity and service rights on Columbia Transmission under Rate Schedule FTS-1, pending permanent assignment of this capacity pursuant to a FERC order in Docket No. RS92-5000, et al or other FERC order with regard to Columbia Transmission's Order 636 restructuring proposal, effective date of November 1, 1993 (Ex. 10).

11) Service Agreement No. 38147 for gas transportation services under FTS-1 Rate Schedule and applicable General Terms and Conditions on file with FERC, effective date of November 1, 1993 (Ex. 11).

12) Service Agreement No. 39001 for gas transportation services under ITS-1 Rate Schedule and applicable General Terms and Conditions on file with FERC, effective date of November 1, 1993 (Ex. 12).

13) Service Agreement No. 39009 for gas transportation services under FTS-2 Rate Schedule and applicable General Terms and Conditions on file with FERC, effective date of November 1, 1993 (Ex. 13).

14) Assignment Agreement No. 39200 for gas transportation services under FTS-2 Rate Schedule and applicable General Terms and Conditions on file with FERC, effective date of November 1 1993 (Ex. 14).

15) Service Agreement No. 43445 for gas transportation services under FTS-2 Rate Schedule and applicable General Terms and Conditions on file with FERC, effective date of November 1, 1994 (Ex. 15).

16) Service Agreement No. 42153 for gas transportation services under IPP-Gulf Rate Schedule and applicable General Terms and Conditions on file with FERC, effective date of July 1, 1994 (Ex. 16).

Service Agreements with Columbia Transmission

1) Service Agreement No. 38023 for gas transportation services under SST Rate Schedule and applicable General Terms and Conditions on file with FERC, effective date of November 1, 1993 (Ex. 17).

2) Service Agreement No. 38067 for gas transportation services under FTS Rate Schedule and applicable General Terms and Conditions on file with FERC, effective date of November 1, 1993 (Ex. 18).

3) Service Agreement No. 38119 for gas transportation services under FTS Rate Schedule and applicable General Terms and Conditions on file with FERC, effective date of November 1, 1993 (Ex. 19).

4) Service Agreement No. 38400 for gas transportation services under FTS Rate Schedule and applicable General Terms and Conditions on file with FERC, effective date of November 1, 1993 (Ex. 20.)

5) Service Agreement No. 38999 for gas transportation services under ITS Rate Schedule and applicable General Terms and Conditions on file with FERC, effective date of November 1, 1993 (Ex. 21).

6) Service Agreement No. 42735 for gas transportation services under IPP Rate Schedule and applicable General Terms and Conditions on file with FERC, effective date of July 1, 1994 (Ex. 22).

7) Service Agreement No. 42736 for Interruptible Gathering Services under IGS Rate Schedule and applicable General Terms and Conditions on file with FERC, effective day of July 1, 1994 (Ex. 23).

8) Service Agreement No. 42745 for Aggregation Services under AS Rate Schedule and applicable General Terms and Conditions on file with FERC, effective date of July 1, 1994 (Ex. 24).

9) Service Agreement No. 37811 for storage services under FSS Rate Schedule and applicable General Terms and Conditions on file with FERC, effective date of November 1, 1993 (Ex. 25).

10) Agreement for liquefied natural gas storage service under Rate Schedule X-132 and applicable General Terms and Conditions on file with FERC, effective date of November 1, 1993 (Ex. 26-A).

11) Agreement among Columbia Transmission, Commonwealth, City of Richmond, and Virginia Natural Gas, Inc. for expansion of Chesapeake LNG facility, effective date of November 15, 1994 (Ex. 26-B).

12) Service Agreement No. 39804 for gas transportation services under SIT Rate Schedule and applicable General Terms and Conditions on file with FERC, effective date of November 1, 1993 (Ex. 27).

Miscellaneous Agreements

1) Operating Agreement between Commonwealth Gas Pipeline Corporation (now Columbia Transmission) and Commonwealth for transfer of an ownership interest in pipeline capacity, effective date of November 1, 1990 (Ex. 28).

2) Electronic Data Interchange Agreement EDI00030 among Commonwealth, Columbia Transmission, and Columbia Gulf for electronic communications, effective date of November 2, 1990 (Ex. 29).

3) Electronic Contracting Agreement ECC00046 among Commonwealth, Columbia Transmission, and Columbia Gulf for electronic communications, effective date of November 1, 1993 (Ex. 30).

4) FPS-1 Service Agreement between Cove Point LNG and Commonwealth for peaking service under Rate Schedule FPS-1 and applicable General Terms and Conditions on file with FERC, effective date of September 1, 1995 (Ex. 31).

5) Data Exchange Agreement between CDC and Columbia Transmission for access to data from Columbia Transmission's X.25 electronic communications network, effective date of November 15, 1994 (Ex. 32).

6) Assignment Agreement among Columbia Transmission, Commonwealth, and Transco for transfer of capacity on the Transco system, agreement date of March 1, 1995 (Ex. 33).

Firm Transportation (Exhibits 1-10, 14, and 15):

As indicated in the application, Commonwealth has many agreements under Columbia Gulf's Rate Schedule FTS-2 (Firm Transportation Service) for the firm transportation of natural gas supplies from various receipt points in the Gulf Coast area to Columbia Gulf's compressor station at Rayne, Louisiana. Company states that these agreements are continually under evaluation. Each month, Commonwealth evaluates those agreements for which notice can be given to terminate the agreements in the coming month and determines if the receipt points under the agreements are considered beneficial for system supply. If the receipt point is no longer considered beneficial, termination notice is provided to Columbia Gulf. By the same token, if capacity becomes available on Columbia Gulf from more desirable points of receipt, Commonwealth may request and enter into a new agreement with Columbia Gulf from the desired receipt point. As the contracts are considered for renewal, Commonwealth has been actively terminating capacity from receipt points that are no longer considered desirable and will in all likelihood acquire additional capacity from more desirable receipt points in the future. Company represents that the Agreements will not cause Commonwealth to become involved in a long-term captive relationship because Commonwealth evaluates the Rate Schedule FTS-2 capacity on a monthly basis and has the ability to terminate any unnecessary capacity. Only two of the above-referenced agreements are for terms of more than one year. The others are under year-to-year terms.

As stated in the application, the supplies are then further transported on Columbia Gulf northward from Rayne, Louisiana, under firm transportation Rate Schedule FTS-1 agreements for delivery into the facilities of Columbia Transmission at Leach, Kentucky. Company states that the firm transportation capacity represented by these agreements is needed to meet the firm demand of Commonwealth's customers. Company represents that these arrangements provide Commonwealth with long-term access to Gulf Coast supplies at very competitive prices when compared to available alternatives and is the lowest cost alternative for Commonwealth to purchase producer gas in the Southwest.

The above-described agreements are billed at the maximum rates under Columbia Gulf's currently effective tariff for the services being provided. Company states that these are the same rates generally offered to all other shippers receiving similar service on Columbia Gulf's system and reflect whatever return has been approved by FERC. Company represents that the fact that it evaluates its capacity on a monthly basis and that competitive prices are offered by Columbia Gulf, the above-described agreements result in lower operating costs and better quality of service for Commonwealth and its customers.

Other Rate Schedule FTS agreements exist between Commonwealth and Columbia Transmission for the firm transportation of natural gas supplies. The agreement contained in Exhibit 19 is the main pipeline link from the Columbia Gulf/Columbia Transmission interconnect at Leach, Kentucky, to Commonwealth's city gates. It was in place prior to Order No. 636 restructuring and was rewritten in connection with that order. Commonwealth states that the firm capacity represented by this agreement is necessary to meet the firm demands of its customers. Two other agreements (contained in Exhibits 18 and 20) were in place prior to the implementation of Order No. 636 on Columbia Transmission and rewritten in the Order No. 636 restructuring. However, these agreements are not included in the original entitlements for Commonwealth and were entered into as required to secure additional capacity. In the summer of 1993, Columbia Transmission informed Commonwealth that two of its requests for capacity had come up in their transportation queue and Columbia Transmission now had the capacity available to fulfill part of such requests. Although Company no longer required the service originally requested in May of 1990, Commonwealth nonetheless evaluated the capacity in light of its future demand requirements.

Upon analysis of this capacity offered by Columbia Transmission, Company determined that it could use the capacity for its expanding markets in the future and that it was in the best interest of its customers to accept the capacity. Until such time as Commonwealth could make full use of the capacity, it would release the capacity to end users desiring the capacity behind the Commonwealth city gate. Company states that, if the capacity had not been taken when offered by Columbia Transmission, there would be no guarantee that it would be available in the future when the market required the gas supplies. Since the October 1, 1993 effective date of this capacity, Commonwealth has been able either to make full use of the capacity for its own system supply or to derive revenues from releasing the capacity during periods when it is not needed.

The agreement contained in Exhibit 17 provides firm transportation capacity under Rate Schedule SST for gas owned by Commonwealth for injection into and withdrawal from Commonwealth's FSS storage on Columbia Transmission. Columbia Transmission is the only available pipeline in Commonwealth's service territory to provide firm transportation capacity for movement of this storage gas.

The rates which Commonwealth paid for firm transportation service on Columbia Transmission are the tariff rates approved by FERC. Company represents that they are the same rates generally offered to all shippers on Columbia Transmission's system and are competitive. The rates reflect a return found by FERC to be reasonable.

Interruptible Transportation (Exhibits 12, 13, and 21):

The Interruptible Transportation Agreements provide interruptible transportation service on Columbia Gulf and Columbia Transmission. The Columbia Gulf ITS-1 agreement (Exhibit 12) provides for interruptible transportation from Rayne, Louisiana, to Columbia Transmission's system at Leach, Kentucky. The Exhibit 21 agreement provides for interruptible transportation on Columbia Transmission's system to Commonwealth's city gates or to other desired delivery points.

Company states that these agreements do not contain demand charges, and they are required only in those instances where transportation is desired beyond what is available under existing firm transportation agreements. These agreements were in existence prior to Order No. 636 and were rewritten under the Order No. 636 restructuring. The agreements are on a month-to-month basis and can be terminated on very short notice.

Commonwealth represents that Columbia Gulf and Columbia Transmission offer competitive prices. The agreements are generally billed at the maximum rates under currently effective tariffs for the services being provided. Company states that this is the same rate generally offered to all other shippers by Columbia Gulf and Columbia Transmission. Where discounts are offered, they are generally available to all shippers. These prices reflect whatever return FERC has approved as reasonable. The Columbia Gulf ITS-2 agreement contained in Exhibit 13 provides interruptible transportation from the Gulf Coast area of Louisiana to Columbia Gulf's Rayne, Louisiana, Compressor Station.

Balancing (Exhibit 27):

The SIT Agreement contained in Exhibit 27 is an interruptible storage service on Columbia Transmission allowing the shipper to balance its gas supplies with its market where the market has high swing potential. It is mainly utilized by industrials that do not have a steady demand requirement.

Commonwealth entered into a Rate Schedule SIT Agreement with Columbia Transmission to secure the ability to store additional gas supplies on Columbia Transmission when Commonwealth's market was varying heavily from day to day. Company states that the contract has the potential to produce lower operating costs, economies of scale, and better quality of service for its customers. Company also states that, in actuality, it has had very little use for this service because it is able to rely on the FSS storage service on Columbia Transmission. However, since the service is solely commodity based, having the agreement and not utilizing it costs Commonwealth nothing. Since Commonwealth may find a need for it in the future, Company proposes to continue to retain the agreement. The SIT Agreement is currently operating on a month-to-month basis and can be terminated on short notice to Columbia Transmission. Company indicates that there are no alternatives for balancing supply other than the FSS agreement previously mentioned. Commonwealth is being billed the same tariff rates as offered to other shippers, which rates reflect a return found by FERC to be reasonable.

Gathering (Exhibit 23):

The Interruptible Gathering Service ("IGS") Agreement with Columbia Transmission contained in Exhibit 23 provides for the interruptible transportation of Appalachian supplies through the non-jurisdictional gathering facilities of Columbia Transmission. Commonwealth currently purchases natural gas supplies form Appalachian wellhead receipt points that tie into Columbia Transmission's non-jurisdictional gathering facilities for further delivery into Columbia Transmission's system. The IGS Agreement provides for the transportation of the gas through the gathering facilities, if required.

Commonwealth states in its application that the gathering service is required for transportation of such gas supplies through the non-jurisdictional gathering facilities of Columbia Transmission and for such gas supplies because there is no available alternative transportation. Commonwealth states that the service is not available from non-affiliate entities or internally without construction of facilities. Company further indicates that construction is not practical for these gas supplies.

The service being provided is non-jurisdictional and not pursuant to a tariff. However, Company is being billed the same rates as other shippers. The IGS Agreement is currently operating on a month-to-month basis and can be terminated upon short notice to Columbia Transmission.

Storage and Peaking Agreements (Exhibits 25, 26-A, 26-B, and 31):

Commonwealth has in place a combination of storage and peaking service agreements to furnish cost-effective service to its customers during of periods of peak demand. As indicated in the application, Commonwealth has an agreement with Columbia Transmission for Firm Storage Service under Rate Schedule FSS contained in Exhibit 25. This is Commonwealth's primary source of storage service. In addition to its allocation of storage capacity approved in the Order No. 636 restructuring, Commonwealth also acquired additional storage gas in place made available under the restructuring in order to maximize its storage potential to meet the winter requirements of its customers.

Exhibit 26-A contains an agreement with Columbia Transmission for Liquefied Natural Gas Storage Service, which provides storage/peaking service to the former customers of Commonwealth Gas Pipeline Corporation ("Pipeline") via the Chesapeake, Virginia, liquefied natural gas ("LNG") storage facility formerly owned and operated by Pipeline before its merger into Columbia Transmission in 1991. By the agreement contained in Exhibit 26-B, Columbia Transmission has agreed to expand the plant's peak day output at the request of its current users. Company states that this peaking service from the Chesapeake LNG facility is needed for Commonwealth to meet demand in its rapidly growing Southeast market area.

The agreement contained in Exhibit 31 is a firm peaking service agreement. The firm peaking service is via the recommissioned Cove Point, Maryland, LNG plant and related pipeline facilities. Company represents that the agreement is competitively priced and is a reliable peaking service needed by Company to meet its peak day requirements. Under the above-described storage and peaking services, Company will be billed the tariff rates approved by FERC and applicable to other customers of Columbia Transmission and Cove Point LNG, including a return considered by FERC to be reasonable.

Gas Supply Aggregation Agreements (Exhibits 16, 22, and 24):

Exhibits 16 and 22 contain agreements with Columbia Gulf and Columbia Transmission, respectively, which provide for the aggregation of supplies under a supply pool that can be scheduled away from the pool under interruptible or firm transportation agreements. Company states that there are no charges for this service, and it provides Company with supply aggregation flexibility in the supply area on Columbia Gulf's system and in the Appalachian area of Columbia Transmission's system. Company represents that these agreements have assisted in balancing supplies with the market and reducing penalty exposure.

The Aggregation Services ("AS") Agreement with Columbia Transmission (Exhibit 24) is very similar to the agreements contained in Exhibits 16 and 22 except gas supplies under the AS service are considered to be aggregated on a firm basis. Commonwealth uses this service to aggregate its Appalachian production for ease of scheduling and tracking. There are no charges for this service. The Rate Schedules originated in the Order No. 636 restructuring proceedings of Columbia Transmission and Columbia Gulf and were entered into following the implementation of Order No. 636 on those pipelines.

The three agreements are all on a month-to-month basis and can be terminated on very short notice, and therefore, do not represent long-term commitments. Company represents that the agreements provide more flexibility to manage its gas supplies at no additional cost and that the agreements will ultimately result in lower operating costs and better quality of service to customers.

Miscellaneous Agreements:

1) Commonwealth requests approval of a Former Commonwealth Pipeline Transmission Capacity Operating Agreement among Commonwealth Pipeline, Commonwealth, and Columbia Transmission governing the operation and maintenance of the pipeline transmission system formerly owned by Commonwealth Pipeline. This agreement (Exhibit 28) covers the ownership and utilization of the undivided interest in transmission capacity acquired by Commonwealth from Commonwealth Pipeline before Commonwealth Pipeline's merger into Columbia Transmission in a transaction approved by the Commission in Case no. PUA900063.

2) Commonwealth requests approval of two Electronic Data Interexchange Agreements (Exhibits 29 and 30) which pertain to Navigator, the electronic bulletin board of Columbia Transmission and Columbia Gulf. Columbia Gulf and Columbia Transmission have an electronic bulletin board which they can utilize to convey notices to shippers and provide nomination verification and actual flow information to shippers. In addition, shippers can submit nominations through the Navigator system, request additional agreements or amendments, and electronically execute such agreements through the Navigator system. The electronic bulletin board is also the environment mandated by FERC to effectuate capacity release under Order No. 636.

The agreement contained in Exhibit 29 generally allows Commonwealth access to the Navigator system to perform any functions it desires that are available on the system. Company states that access to the Navigator system has become vital to Commonwealth in conducting its day to day business and must be continued. Company further states that the Navigator system is the only means currently available to effectuate the release and acquisition of capacity on the Columbia Gulf and Columbia Transmission systems. Commonwealth states that it also receives important notices and requests agreements and amendments through the Navigator system. Company represents that there are no costs associated with the Navigator Agreement.

In the Exhibit 30 agreement, Commonwealth is allowed to execute agreements and amendments electronically. Company states that this method of execution is used only in emergency situations, and approval is obtained by management prior to its electronic execution. Commonwealth represents that the agreement is essential to allowing it to execute agreements when a short turnaround is required.

The Electronic Data Interchange Agreements are on a month-to-month basis and do not represent long-term commitments. Company represents that they are vital for it to continue to perform its day to day business.

3) Exhibit 32 is a Data Exchange Letter Agreement which allows Commonwealth access, on a cost-effective basis, to certain Columbia Transmission pipeline operating data vital to the efficient and reliable operation of Commonwealth's distribution system. Company states that in order to be able to manage its system operations effectively and prudently in accordance with the interstate pipeline tariffs developed in response to FERC Order No. 636, it is necessary for Commonwealth to know how much gas it is receiving from Columbia Transmission at each point of delivery on a day-to-day basis and within the course of a day. Columbia already had in place its own Electronic Measurement ("EM") devices installed at its major point of delivery sites which, by means of an electronic communications network, made certain information needed by Commonwealth concerning pressure, flows, and Btu value of the incoming gas supply available to Columbia Transmission on a real time basis. Therefore, Commonwealth inquired as to the possibility of access to the network for the purpose of "sharing" the relevant, needed information with the Commonwealth Distribution Company distributors. Columbia Transmission negotiated the agreement contained in Exhibit 32, which provides the Commonwealth Gas Company distributors, including Commonwealth, the ability to access the network at a cost less than what it would have cost Commonwealth to install the devices itself.

Company states that, as long as Columbia Transmission remains the principal provider of pipeline services to Commonwealth, the information made available via the network will play a vital role in ensuring reliable service to Commonwealth's customers, and the Agreement represents a cost-effective means of obtaining the data required for Commonwealth to provide such service.

4) Exhibit 33 contains an agreement which covers the transfer from Columbia Transmission to the former customers of Commonwealth Pipeline the capacity on Transco formerly held by Commonwealth Pipeline. Company states that this transfer was arranged as part of Columbia Transmission's restructuring pursuant to Order No. 636 and gives Commonwealth direct control over its portion of that upstream capacity.

Miscellaneous Policies:

1) Capacity Release and Acquisition (Exhibit 34) relates to the acquisition and release by Commonwealth of firm transportation and firm storage capacity on Columbia Gulf and Columbia Transmission from and to both affiliated and non-affiliated companies on a basis beneficial to Commonwealth's customers. The release of capacity provides a credit to the demand charges from the pipeline and reduces costs to Commonwealth, which participates in this activity as a cost saving measure. Company states that the acquisition of capacity is only done for operational or emergency purposes. As of the date of the application, Commonwealth had not acquired capacity from affiliated or non-affiliated companies under this mechanism.

As described in the application, Commonwealth monitors the marketplace and receives a comparable price for the capacity released. Likewise, if Commonwealth were to acquire capacity, it would again survey the marketplace to receive a comparable rate. Releases are performed according to established internal guidelines. Preference is given to end users behind the Commonwealth system. Preference is also given to the other Columbia Gas distribution Companies ("CDC Companies") if a CDC Company is willing to pay the maximum rate for the capacity. Likewise, Commonwealth is given preference if it desires to acquire capacity from one of the other CDC Companies. Company represents that this methodology takes advantage of the synergy's inherent with having several utilities under the same corporate umbrella.

The releases and acquisitions are performed by Commonwealth, and there is no need to allocate charges. The terms and length of service vary with each capacity release transaction. The proposed mechanism was established and approved by FERC, and Company represents that it is in the public interest. Company states that capacity release reduces costs to Commonwealth and is a benefit to the Virginia ratepayers. Any capacity acquisitions will be done for operational purposes and will also be for the benefit of the Virginia ratepayers. Capacity release can be short- or long-term. The amount to be released is determined in accordance with the policy. Release transactions are generally performed at market prices. Capacity acquisitions are performed in accordance with established internal guidelines and are done on an emergency basis. Company represents that it will seek the market price whenever possible.

2) Point of Delivery ("POD") Arrangements policy contained in Exhibit 35 addresses the need for Commonwealth to be able to add and remove PODs for its service agreements with Columbia Transmission and Columbia Gulf, as circumstances require. Company states in its application

that, during the normal course of business, it periodically becomes necessary to establish another POD from Columbia Gas Transmission Corporation ("Columbia Transmission") to Commonwealth. The PODs are established for a number of reasons, and the arrangement and/or agreement to establish the POD may take a variety of forms.

Commonwealth states that it will occasionally request a tap off a Columbia Transmission pipeline to serve a single customer. Such a request is made after a thorough review of the various alternatives of providing service and a determination that a tap directly off of Columbia Transmission's pipeline for the sole purpose of servicing a single customer is more economic than providing such service from Commonwealth's distribution system. Usually in such situations, Commonwealth's facilities are a considerable distance from the prospective customer's property. The Agreement for establishing such service is usually in the form of a letter from Commonwealth to Columbia Transmission requesting the tap (or POD) and then signed and returned by Columbia Transmission.

Likewise, Commonwealth may make an arrangement with Columbia Transmission to install a new POD from which Commonwealth will install a distribution system to serve a new area. The new POD may also involve improvements to Columbia Transmission's existing system. Again, before requesting the new POD and/or associated Columbia Transmission improvements, Commonwealth will examine all options of serving the new area. If establishing a POD is the most economical option, a request and subsequent arrangement is made. The terms of the arrangement will specify what each company will construct, own, and pay. The amount each company will contribute towards construction is usually dependent upon whether the new POD generates incremental firm service to Columbia Transmission. If it does, Columbia Transmission will likely bear at least a significant portion of the cost, if not all of the cost, of the POD and improvements. If it does not, Commonwealth will bear the cost. Such cost factors and type of service are considered when evaluating the various options.

Commonwealth may make an arrangement with Columbia Transmission for Columbia Transmission to install a new POD, enlarge an existing POD and/or make improvements to its system if it is more economical than Commonwealth constructing facilities to improve its system. The terms of such arrangements would likely require Commonwealth to bear the cost of any required Columbia Transmission facilities because there is no incremental benefit to Columbia Transmission.

3) Commonwealth purchases propane on the spot market form available suppliers, including propane, without a formal agreement for resale under its Metered Propane Service rate schedule and for peak-shaving. Company states that the policy contained in Exhibit 36 ensures that such purchases are made from Propane only when supplies are not available from another supplier at a lower price.

Commonwealth states in its application that it owns and operates three propane-air facilities which are used to supplement its flowing gas supplies on colder days during any winter operating period (typically November through March). In actual operations, liquefied propane gas is vaporized on-site and is physically blended into the pipeline gas supply stream flowing by each plant. Commonwealth represents that it must secure propane supplies from a third party source, typically a marketer, when propane quantities are needed to replenish the inventory at any plant site. In such event, Commonwealth will contact a number of marketers and solicit bids for delivery.

Company states that, in soliciting bids, it will request the marketer to specify the delivered price and the date(s) on which deliveries can first be made. If replenishment volumes are being purchased in non-winter months, Commonwealth will award its purchase to the lowest cost bidder. If replenishment is required during winter months, Commonwealth may award its purchase to the marketer who can ensure earliest delivery of the product. Company indicates that these criteria are dependent upon the actual and forecasted weather conditions and the prospective need for Company's propane use.

Commonwealth indicates that one of the potential vendors of propane quantities is Propane. In order for Propane to earn Company's business, Propane must be the lowest cost provider in non-winter months or ensure more timely delivery during winter months. Company represents that, absent purchases where delivery timing is critical, all purchases are price competitive.

4) Exhibit 37 contains Commonwealth's policy regarding the execution of transportation agreements. Company states that it has firm and interruptible transportation agreements on Columbia Transmission as well as Columbia Gulf. Commonwealth indicates that these agreements are necessary in order to bring natural gas supplies from the Gulf Coast area of Louisiana and from certain Appalachian areas to the Commonwealth facilities in Virginia. Commonwealth states that, in most instances, Columbia Transmission is the only pipeline available to serve Commonwealth's markets.

Company states that transportation agreements generally include receipt points where the transporting pipeline receives the shipper's gas supplies, and delivery points where the gas is delivered either to the shipper, the shipper's customer, or another pipeline company. Commonwealth states that due to the nature of transportation on these pipeline systems and supply availability, it is often desirable and necessary to amend the agreements to provide for alternate receipt points. Company also points out that it is often necessary to modify the delivery points to provide delivery to alternate delivery points and to accommodate the continual shifts in customer demand levels.

Commonwealth states that, since it is continually evaluating its pipeline capacities, it is desirable and necessary from time to time for Company to either enter into new agreements or terminate agreements with affiliates. Each month, Commonwealth evaluates its firm transportation agreements and determines which ones can be terminated in the coming month and determines if capacity is still useful for system supply. If the capacity from a certain receipt point is no longer considered beneficial to Commonwealth, Company provides a termination notice to its affiliate. By the same token, if capacity becomes available on the affiliate from more desirable receipt points, Commonwealth may request and enter into a new agreement or amend an existing agreement with the affiliate for the desired receipt point. Company states that, in most instances, there is very little lead time before Commonwealth must act on either the termination of capacity or acquisition of additional capacity. Commonwealth, therefore, represents that it is very difficult to obtain internal approval as well as Commission approval prior to entering into such arrangements.

Company states that during the winter periods, it has found it economical to enter into peaking arrangements for the delivery of natural gas to Commonwealth during peak periods. Along with these peaking agreements, it is often necessary for Commonwealth to enter into agreements with Columbia Transmission for the movement of this gas supply during the winter period. Commonwealth states that it negotiates the peaking arrangements in the latter part of the year for the upcoming winter and, in most instances, Commonwealth does not have the time required in order to obtain Commission approval prior to the date the agreement must go into effect. Company represents that these agreements provide necessary gas supplies on peak days, and their absence or disapproval by the Commission could have a detrimental effect on Commonwealth and its customers.

Regarding the actual arrangements, the normal procedure is for Commonwealth to request the service from the affiliated company, including any discounts, and after processing, the affiliated company submits an agreement or amendment to Commonwealth for execution. The agreement will be in the form established in the respective pipeline company tariff. The affiliated companies, like most other pipeline companies, allow Commonwealth only a limited amount of time to execute and return the agreement or amendment or the arrangement becomes null and void. This time period is normally fifteen days.

Company states that, in order for it to continue to operate in an efficient manner, Company requests authority to enter into such agreements and amendments under such circumstances with the understanding that proper specifics of such agreements or amendments will be provided to the Commission at a later date. Company proposes to notify the Commission upon executing any such amended or new transportation agreements and to file as soon as possible thereafter with the Commission for approval of such revised or executed agreements.

Regarding the Transportation Agreements, Company states in its application that there is no cost effective pipeline service in most of Commonwealth's market area. In response to Staff's request for additional information, Commonwealth states that it has reviewed several transportation alternatives to Columbia Transmission. Company states that in order for an alternative to replace Columbia Transmission, it must access existing isolated distribution networks. Otherwise, Commonwealth must continue to use Columbia Transmission for the delivery of gas supplies to its customers behind the existing interconnections with Columbia Transmission.

THE COMMISSION, upon consideration of the application and representation of Applicant and having been advised by its Staff, is of the opinion and finds that the above-described agreements with affiliates should be approved retroactively. However, approval of the Policy for Executing Revised or New Transportation Agreements with Affiliates should not preclude the need for specific approval of each agreement involving affiliates other than Columbia Gulf and Columbia Transmission. Furthermore, the Summary of Propane Supply Replenishment Process should not include the procurement of propane for its Metered Propane Service. This issue will be dealt with in another case. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to § 56-77 of the Code of Virginia, Commonwealth Gas Services, Inc. is hereby granted approval of the supply-related agreements as described herein effective as of the effective date of each such agreement and the supply-related policies as described herein.

(2) Approval of the Policy for Executing Revised or New Transportation Agreements with Affiliates shall not preclude the need for Applicant to file for specific approval of each agreement involving affiliates other than Columbia Gulf and Columbia Transmission.

(3) Approval of the Summary of Propane Supply Replenishment Process shall not include approval of the procurement of propane for Applicant's Metered Propane Service since this is being dealt with in another proceeding. The Summary of Propane Supply Replenishment Process is approved only for propane for propane-air peak shaving.

(4) The approval granted herein shall not be deemed to include the recovery of any costs or charges in connection with the agreements and policies for ratemaking purposes.

(5) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

(6) The Commission reserves the authority to examine the books and records of any affiliate in connection with the authority granted herein whether or not such affiliate is regulated by the Commission.

(7) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA950029
MARCH 8, 1996

APPLICATION OF
THE POTOMAC EDISON COMPANY

For approval of mail payment processing arrangement

ORDER GRANTING APPROVAL

The Potomac Edison Company ("PE," "Company," "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act requesting approval of a mail processing arrangement with its affiliate, Monongahela Power Company ("Monongahela," "Affiliate") pursuant to which PE will provide mail payment processing services to Affiliate. Monongahela is a public utility corporation organized and existing under the laws of the State of Ohio and qualified to transact business in the State of West Virginia. Monongahela provides retail electric service to customers in a portion of West Virginia.

Under the proposed arrangement, individual processing of customers' bill payments made by mail for both companies will be consolidated. The bills for Affiliate's customers will be sent by mail as usual, but the return address for those customers who choose to pay by mail will be PE's Hagerstown address. Employees at PE's mail payment center will process both Monongahela's and PE's own customer bill payments in the same manner as is currently done for PE's own customer bill payments, and amounts payable to Monongahela will be deposited in a separate account. In return for such services, Affiliate will pay Company its allocated share of the actual costs incurred by PE in providing such services based upon total documents processed.

As a result of this arrangement, Monongahela will close its mail payment center located at its general office in Fairmont, West Virginia. All four (4) full-time employees of Monongahela's payment center were offered full-time employment at PE's mail payment center. One (1) accepted the offer.

The proposed arrangement will only affect bills paid by mail. Payments by Monongahela customers will continue to be received by Monongahela division offices, numerous collection agencies, such as banks and stores, drop boxes, and wire payments.

Also involved with the mail payment center arrangement will be the transfer and assignment to PE of a lease for an NCR remittance processing machine, which lease is currently held by Affiliate. In addition, Monongahela will sell to PE, at its cost, certain supplies which will no longer be needed for Monongahela's mail payment center.

Company represents that the mail payment center arrangement will increase efficiency by consolidating the payment processing functions at one (1) central location. Company believes that the proposed arrangement will result in cost savings for both Potomac and Monongahela due to efficiencies of scale, such as increased optimization of processing equipment and management.

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 mail payment processing arrangement would be in the public interest and should be approved. However, the Commission is of the opinion that, to further ensure that the mail payment processing arrangement continues to be in the public interest, such approval should be for a definite time period through December 31, 1998. During that time, Company should be required to track the actual costs of facilities used by PE in providing such services to Affiliate. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, The Potomac Edison Company is hereby granted approval of the mail payment processing arrangement with Monongahela Power Company under the terms and conditions and for the purposes as described herein.

2) The approval granted herein shall be effective from the date of this Order through December 31, 1998.

3) Should any terms and conditions of the mail payment processing arrangement change from those contained herein, Commission approval shall be required for such changes.

4) The approval granted herein shall have no ratemaking implications.

5) During the approval period, Applicant shall track the actual cost of facilities and other related costs used in providing mail payment processing services to Monongahela and such costs shall be included in any future arrangements for providing such services.

6) Applicant shall be responsible for extracting all costs for which Affiliate should have been responsible and not included in charges pursuant to the approved arrangement in future rate proceedings.

7) Should any changes occur which would allow Company to charge a market rate or a return component on facilities used in providing such services to Affiliate, the Commission reserves the authority to reopen this case and possibly require that a return component be included in the rate charged or that a market rate be charged for services provided.

8) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

9) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein, whether or not such affiliate is regulated by the Commission, pursuant to § 56-79 of the Code of Virginia.

10) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA950037
JANUARY 4, 1996

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

For authority to participate with Bell Atlantic-Maryland and other Bell Atlantic telephone companies in a centralized inventory agreement

ORDER GRANTING AUTHORITY

On July 10, 1995, Bell Atlantic-Virginia, Inc. ("BA-VA," "Company," "Applicant") filed an application with the Commission requesting authority to enter into an Agreement to participate with Bell Atlantic-Maryland ("BA-MD," "Affiliate") and the other Bell Atlantic telephone companies in the centralized inventory of certain telecommunications equipment used for official communication services (i. e., internal communications) by the Bell Atlantic telephone companies. This inventory is maintained at an existing warehouse in Landover, Maryland, and is used to support the official communications services of the Bell Atlantic telephone companies.

Pursuant to the Agreement, BA-VA has transferred its existing inventory of spare official communications equipment to BA-MD to establish this centralized inventory. BA-VA then buys used official communications equipment from BA-MD and sells any additional spare official communications equipment to BA-MD.

In its application, Company states that the official communications equipment initially transferred to Affiliate by Company to establish the centralized inventory has a value of $840,579. BA-VA estimates that it will purchase approximately $500,000 to $600,000 in used official communication equipment from the centralized inventory each year. Estimated annual sales by BA-VA into the centralized inventory in Landover, Maryland, will be approximately the same. Company states that the actual amount of monthly transfers will vary as the transfers take place only on an as-needed basis. BA-VA's proportionate share of the expense incurred by BA-MD in operating the centralized inventory is estimated to be approximately $270,000 per year.

BA-VA states that each Bell Atlantic telephone company has traditionally kept its own inventory of spare equipment for its official communications network. Company represents that by centralizing this inventory, Bell Atlantic can increase the breadth of items available to each company while reducing the overall size of the Bell Atlantic inventory. Company states that this will allow Bell Atlantic to reduce the expense associated with maintaining the inventory by managing it on a centralized, regional basis instead of on the existing company-by-company basis. BA-VA estimates that its official communications expense will be reduced by at least $300,000 annually due to the purchase of used official communication equipment from the centralized inventory instead of purchasing new equipment from outside vendors. In addition, Company expects that its inventory carrying costs will be reduced by at least $25,000 in the first year after the inventory is centralized at BA-MD due to the reduction in inventory carried on BA-VA's books.

In its application, Company represents that it was determined that the company owning the inventory would need an existing warehouse to store the inventory. BA-MD and its Landover warehouse were chosen for the following reasons:

1) The existing warehouse had the capacity to handle the centralized inventory without needing to add space.

2) The Landover warehouse is more centrally located within the Bell Atlantic region than other existing Bell Atlantic warehouses that had the capacity to store the centralized inventory.

3) The personnel at the BA-MD warehouse could manage the centralized inventory without the need for overtime or additional headcount.

4) Other alternatives to the Landover warehouse were considered but were rejected for reasons provided in the application.

Company states in its application that the first step in establishing the equipment inventory was to have the Bell Atlantic telephone companies other than BA-MD transfer their existing spare equipment inventories to BA-MD and its Landover warehouse. As indicated previously, the value of such equipment transferred by BA-VA was $840,579.

Under the Agreement, the Bell Atlantic telephone companies will continue to place orders for the official communication equipment through Bell Atlantic's Materials Management Inventory System ("MMIS") mechanized order system. Official Communication Service ("OCS") field technicians will make the initial determination of whether used or new communication equipment will be needed. Wherever possible, used official communication equipment will be utilized to minimize OCS costs.

If it is determined that used equipment can be utilized, an order will be placed for used equipment. If not, new equipment will be ordered. When a determination is made that any equipment is defective or excess, it will be transferred to the warehouse. Equipment that can be repaired will be repaired. Equipment that cannot be repaired will be retired.

According to the Agreement, there will be one price per Standard Supply Item ("SSI") in MMIS for the used official communication equipment. This price, the Used Material Price ("UMP"), will be used for sales to and from BA-MD's centralized inventory. The UMP for each SSI is derived by applying a Net Book Factor for capitalized official communication equipment in the Bell Atlantic telephone companies to the current price of the expensed official communications equipment.

BA-MD's OCS warehouse personnel will provide tracking, shipping, and repair service for OCS computer and data equipment for the Bell Atlantic telephone companies. If a repair cannot be performed in-house, BA-MD will arrange to send the material to an outside vendor for repair. Each company will be billed directly for repairs performed by outside vendors. The costs incurred by Affiliate in maintaining the centralized inventory will be allocated to the participating companies.

Company maintains that the primary benefits of this project to centralize the inventory of certain official communications equipment are to reduce the overall inventory levels required by the Bell Atlantic telephone companies and to reduce the costs associated with the purchase on new equipment through more efficient reuse of existing equipment.

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 Centralized Inventory Agreement would be in the public interest and should be approved. Accordingly,

IT IS ORDERED:

1) That, pursuant to § 56-77 of the Code of Virginia, Bell Atlantic-Virginia, Inc. is hereby granted authority to enter into the Centralized Inventory Agreement with Bell Atlantic-Maryland under the terms and conditions and for the purposes as described herein;

2) That should any terms and conditions of the Agreement change from those contained herein, Commission approval shall be required for such changes;

3) That the authority granted herein shall have no ratemaking implications;

4) That the authority granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

5) That the Commission reserves the authority to examine the books and records of any affiliate in connection with the authority granted herein, whether or not such affiliate is regulated by the Commission, pursuant to § 56-79 of the Code of Virginia; and

6) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA950040
MARCH 26, 1996

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For approval of a directory assistance agreement with an affiliate

ORDER GRANTING APPROVAL

Central Telephone Company of Virginia ("Centel-VA," "Company," "Applicant") has filed an application with the Commission requesting approval of a proposed Agreement for the Provision of Directory Assistance (the "Agreement") with Central Telephone Company ("Centel-NC," "Affiliate"), pursuant to which Centel-NC will provide directory assistance services to Company.

Company states in its application that the regional headquarters for Sprint's telephone companies operating in the States of Virginia, North Carolina, South Carolina, and Tennessee is located in Wake Forest, NC. By Commission Order dated March 24, 1988, in Case No. PUA870086, the Commission approved an agreement between Centel-NC and Centel-VA which similarly permitted Centel-NC to provide directory assistance services to Company. The directory assistance services provided to Company under the previous agreement are to continue to be provided by Centel-NC pursuant to the proposed Agreement. Centel-VA will compensate Centel-NC for the services to be performed at rates based on Weighted Standard Work Seconds ("WSWS"). The price per WSWS paid by Company to Centel-NC is $.0101 effective with the commencement of the Agreement. Centel-NC reserves the right to review the rate per WSWS charged to Centel-VA annually and to make adjustments accordingly to include such changes as the rates of compensation paid by Centel-NC to its operator personnel.

The proposed Agreement is effective immediately upon the approval of all regulatory agencies having jurisdiction over Centel-NC and Centel-VA as to the services provided herein and will remain in effect for one (1) year and will thereafter be renewed automatically for successive one (1)-year terms. Either party will have the right to terminate the Agreement upon ninety (90) days' advance written notice to the other party. The proposed Agreement, along with the Operator Services Agreement approved in Case No. PUA940059, will replace the Operator Services Agreement approved in Case No. PUA870086. Charges are based on operator work seconds whereas previously, costs incurred by the provider were directly billed or allocated to Company. The proposed rate per WSWS is based on the cost of providing the service.

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 Agreement would be in the public interest and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Central Telephone Company of Virginia is hereby granted approval of the Agreement with Centel-NC under the terms and conditions and for the purposes as described herein.

2) The Agreement approved herein, along with the Operator Services Agreement approved in Case No. PUA940059, shall replace the Operator Services Agreement approved in Case No. PUA870086.

3) Any changes in the terms and conditions of the Agreement from those described herein shall require Commission approval.

4) The approval granted herein shall in no way be deemed to include the recovery of any costs or charges in connection with the Agreement for ratemaking purposes.

5) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

6) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not such affiliate is regulated by the Commission.

7) Applicant shall file a report with the Director of Public Utility Accounting on or before April 1 of each year, the first of which shall be due on or before April 1, 1997, such report to show charges incurred by Centel-VA under the Agreement, as well as the applicable rate per WSWS, for the previous calendar year.

8) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA950041
JULY 23, 1996

APPLICATION OF
ROANOKE & BOTETOURT TELEPHONE COMPANY

For approval to enter into an Amended Affiliates Agreement

ORDER GRANTING APPROVAL

Roanoke & Botetourt Telephone Company ("R&B Telephone," "Company." "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act requesting approval to amend its current Affiliates Agreement to include R&B Cable, Inc. and delete R&B LD. An affiliates agreement currently exists between R&B Communications, Inc., R&B Telephone, and R&B Network, Inc. This Agreement was approved by the Commission in Case No. PUA960065 and amended to include R&B LD in Case No. PUA930003.

As stated in the application, R&B Cable, Inc. operates as a wireless cable service provider in the Roanoke Valley, Virginia, and will offer wireless cable service at discounted rates to customers who are not able to obtain wired cable service and to customers who have the option of selecting buried or non-buried cable service. R&B Telephone represents that the public interest will be served in this capacity by allowing customers to save on their cable service by offering the public another option for cable service and by offering cable service to customers who are not served by the wired cable provider.

As indicated in the application, the only modifications to the existing agreement are as follows: 1) incorporating, R&B Cable, Inc. into the Affiliates Agreement and 2) deleting R&B LD. R&B LD is being deleted since the company is no longer in operation. Company states that no additional operating expenses will be incurred by R&B Telephone while being able to allocate its current level of expenses to an additional company, thus continuing to realize the benefits of more effectively utilizing its available resources.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion and finds that the above-described Amended Affiliates Agreement would be in the public interest and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Roanoke & Botetourt Telephone Company is hereby granted approval to enter into the Amended Affiliates Agreement as described herein.

2) The approval granted herein shall have no ratemaking implications.

3) Any future changes in the Amended Affiliates Agreement shall require Commission approval.

4) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

5) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not such affiliate is regulated by the Commission.

6) Applicant shall file a report with the Director of Public Utility Accounting on or before April 1 of each year, the first of which shall be due on or before April 1, 1997, such report to show services provided to and by Company and charges for such services for the preceding calendar year.

7) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA950043
JANUARY 23, 1996

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For authority to contract with affiliate to offer Term Gas Service to non-jurisdictional customers

ORDER GRANTING AUTHORITY

Virginia Natural Gas, Inc. ("VNG," "Company," "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act requesting authority to enter into a Letter Agreement for Furnishing of a Term Gas Service Pursuant to VNG Rate Schedule 9 (the "Agreement") with its affiliate, CNG Energy Services Corporation ("Energy Services," "Affiliate"). Company states in its application that in order to be responsive to the needs of its customers in today's competitive energy marketplace, VNG desires to offer to its non-jurisdictional customers a Term Gas Service in which it will make available under Tariff Rate Schedule 9 short-term supply to be purchased from Energy Services.

In its application, Company further states that because a particular customer, the United States Department of the Navy (the "Navy"), desires the alternative supply pricing option represented by Term Gas Service as quickly as possible in order to meet its cost containment objectives, VNG requests expedited approval of its relationship with Affiliate so that Term Gas Service can be offered to the Navy immediately. VNG also requests retroactive approval of any transactions entered into between VNG and Energy Services in connection with the provision of Term Gas Service prior to issuance of Commission authorization.

Company represents in its application that the proposed relationship with Energy Services is not detrimental to VNG's ratepayers because the non-jurisdictional customer will make its purchase decisions based on the identification by VNG of a discrete supply of gas for a limited period of time. Company states that those purchase decisions will not affect the availability of supply or level of service provided by VNG to its jurisdictional customers.

As Company explains in its application, Term Gas Service describes a service through which VNG will match a discrete supply of gas to be secured and made available by Affiliate for a one (1)-month term to VNG's non-jurisdictional customers, delivered on an interruptible basis under Tariff Rate Schedule 9 on file with the Commission. Term Gas Service will be an optional alternative to the services which are currently available to the non-jurisdictional customer.

As indicated by Company in its application, following communication of supply and price quotes among Energy Services, VNG, and its non-jurisdictional customers electing to contract for Term Gas Service, the non-jurisdictional customer will choose to purchase (1) interruptible gas delivery service from VNG under Rate Schedule 9 (transportation) and either Term Gas Service or gas from another source (commodity) or (2) interruptible gas sales service under Rate Schedule 8.

The Agreement provides that Energy Services will notify VNG of the availability and price of the discrete supply of gas which will be made available to VNG's non-jurisdictional customers electing to contract for Term Gas Service at least ten (10) business days prior to the beginning of the month in which the supplies will be made available. In the event a VNG non-jurisdictional customer elects to purchase such supplies, VNG will so notify Energy Services no later than five (5) business days prior to the beginning of the contract month. The volumes contracted for at the agreed-upon price will then be delivered by Energy Services to VNG's city gate and redelivered by VNG to the non-jurisdictional customer electing to purchase such supplies, pursuant to Rate Schedule 9, Interruptible Gas Delivery Service.

As stated in the application and in a letter from Company, all arrangements for Term Gas Service will be made by and through Company's Corporate Marketing Department. The non-jurisdictional customer will have the option of purchasing the gas made available by Affiliate from Company, in which case VNG will take title to the gas, or directly from Energy Services, in which case VNG will not take title to the gas. If VNG takes title to the gas made available by Energy Services, VNG will reflect the cost of the gas as an expense and the revenues associated with the sale on its books. If the customer does not require Company to take title to the gas, no gas costs related to the transaction will be reflected as expenses on VNG's books.

Energy Services will bill VNG for Term Gas Service actually provided, and VNG will bill the non-jurisdictional customer electing such service for the contract month. The non-jurisdictional customer will make payment to Company which will then transfer such funds to Energy Services. The term of the Agreement will be indefinite, cancelable by either party with thirty (30) days' notice. Company states that the Term Gas Service is for the benefit of VNG's non-jurisdictional customers who elect to receive such service. VNG incurs no cost other than the minimal time consumed in the administration of the transaction by its Corporate Marketing and Accounting Departments.

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 is in the public interest and should be approved. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to § 56-77 of the Code of Virginia, Virginia Natural Gas, Inc. is hereby authorized to contract with CNG Energy Services Corporation to make available to VNG's non-jurisdictional customers electing to receive Term Gas Service the appropriate volume and price of a monthly supply of gas to meet the non-jurisdictional customer's requirement under the terms and conditions as described herein.

(2) Pursuant to § 56-77 of the Code of Virginia, VNG is hereby granted retroactive approval of any such transactions entered into for the purpose of making Term Gas Service available to VNG's non-jurisdictional customers prior to the issuance of Commission authorization.

(3) The authority granted herein shall not be deemed to include the recovery of any costs or charges in connection with the Agreement for ratemaking purposes.

(4) The authority granted herein shall not preclude the Commission from exercising the provisions of § 56-78 and 56-80 of the Code of Virginia hereafter.

(5) The Commission reserves the authority to examine the books and records of any affiliate in connection with the authority granted herein whether or not such affiliate is regulated by the Commission.

(6) The Company will file copies of invoices detailing all gas costs for purchases of gas associated with the Term Gas Service with the Staff of the Division of Energy Regulation with future gas cost adjustment filings.

(7) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA950044
MAY 24, 1996

APPLICATION OF
THE POTOMAC EDISON COMPANY

For approval of engineering and construction consolidation

ORDER GRANTING APPROVAL

The Potomac Edison Company ("PE," "Company," "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act requesting approval to allow PE and Monongahela Power Company ("Mon Power") and West Penn Power Company ("West Penn"), Mon Power and West Penn collectively referred to as the "Affiliates," to enter into an arrangement whereby the engineering and construction services of PE and the Affiliates will be consolidated. Under the arrangement, West Penn will provide certain engineering and construction services for PE and Mon Power, and PE will provide certain engineering and construction services for West Penn.

As described in the application, under the proposed arrangement, certain engineering and construction work currently performed by Mon Power and by PE will be consolidated at West Penn's Connellsville Division. In addition, certain engineering and construction work currently performed by PE will be consolidated at West Penn's Connellsville Division. Also, certain engineering and construction work currently performed by West Penn will be consolidated at PE's Bower Avenue ("Hagerstown") location. In return for such services, each company will pay the company which performs the services its allocated share of the actual costs incurred in providing the services.

Company states in its application that, as a result of this arrangement, Mon Power and PE will eliminate certain positions in Division Operations, and West Penn may add some positions. Employees at Mon Power or PE who hold positions which are eliminated have been or will be offered other employment with the companies.

PE and the Affiliates believe that their customers will benefit from the proposed arrangement, which is expected to increase efficiency by consolidating certain functions at central locations. Company and the Affiliates also believe that the proposed arrangement will result in significant cost savings for PE and the Affiliates due to efficiencies of scale, such as increased optimization of personnel, equipment, and management. PE and the Affiliates expect to continue this consolidation process and extend it to other functions performed by all three companies.

A detailed summary of the proposed consolidation follows:

1) Material Supply and Distribution System

Transmission and distribution material will be supplied from West Penn's Connellsville location storeroom and PE's Bower Avenue storeroom to all locations for the companies. Connellsville will provide material to Mon Power as well as to all West Penn locations except for the South Penn, Nittany, and Keystone divisions. Hagerstown will supply those West Penn locations as well as PE's divisions. As a result of the proposed consolidation, Mon Power will be able to operate with four fewer people in their division stores function.

2) Distribution Transformer/Regulator Repair

Company states that the first priority, after setting up the new stores distribution system, will be increasing the capacity to handle distribution transformer and regulator repair work at Connellsville. Transformer repair at Mon Power is now done in the divisions as fill-in work. Company further indicates that considerable inventory has accumulated, and substantial savings are projected by consolidating this work at Connellsville. Company represents that, with Connellsville supplying materials to all Mon Power locations, the returning trucks can bring this equipment back to Connellsville. Company anticipates cost savings due to lower labor costs and increased efficiency. As indicated in the application, PE transformers will continue to be centrally repaired at Bower Avenue until the analyses of the expanded Connellsville operation are completed, at which time PE's transformer repair may also be consolidated at Connellsville.

3) Oil Circuit Recloser Repair

Under the proposed consolidation, Connellsville will become the central oil circuit recloser ("OCR") repair site for Mon Power and most of West Penn. OCR repair for PE and the three eastern locations of West Penn (South Penn, Nittany, and Keystone) will be performed at Bower Avenue . Company states that it now maintains its reclosers in the field and that PE Division Operations will save the equivalent of 1.5 positions by centralizing OCR repair at Bower Avenue. Monongahela uses two employees for OCR repair while West Penn repairs a much higher number of units with 1.5 employees. Company states that Connellsville is expected to be able to absorb the Mon Power OCRs with the addition of the equivalent of .5 repair workers and that PE could repair all eastern area units with existing employees at Hagerstown.

4) Rubber Goods Repair and Testing

Testing and inspection of rubber goods, such as gloves, blankets, and sleeves will be consolidated at Connellsville. Company expects a reduction in the number of employees needed for such work from five employees to four employees (a reduction of two at Mon Power and one at PE, and by adding two testers at Connellsville). Company expects annual cost savings as a result of such consolidation.

5) Metering

Most metering activities will be consolidated at Connellsville. Some wiring of meter packages for all three operating areas will be performed at Bower Avenue. Mon Power will be able to reduce by seven employees while PE is expected to reduce its Bower Avenue facility by two employees. However, the controls assembler function at Bower Avenue may have to increase by one employee to handle the additional volume of meter package wiring.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion and finds that the above-described arrangement would be in the public interest and should be approved. However, the Commission is of the further opinion that to further ensure that the arrangement continues to be in the public interest, such approval should be for a definite period of time, or through December 31, 1998. During that time, Company should be required to track the actual cost of facilities used by PE in providing such services to the Affiliates under the Agreement. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, The Potomac Edison Company is hereby granted approval of the Engineering and Construction Consolidation arrangement with Monongahela Power Company and West Penn Power Company under the terms and conditions and for the purposes as described herein.

2) The approval granted herein shall be effective from the date of this Order through December 31, 1998.

3) Should any terms and conditions of the arrangement change from those contained herein, Commission approval shall be required for such changes.

4) The approval granted herein shall have no ratemaking implications.

5) During the approval period, Applicant shall track the actual cost of facilities and other related costs used in providing the engineering and construction services to the Affiliates and such costs shall be included in any future arrangements for providing such services.

6) Applicant shall be responsible for extracting all costs for which the Affiliates should have been responsible and not included in charges pursuant to the approved arrangement in future rate proceedings.

7) Should any changes occur which would allow Company to charge a market rate or a return component on facilities used in providing such services to the Affiliates, the Commission reserves the authority to reopen this case and possibly require that a return component be included in the rate charged or that a market rate be charged for services provided.

8) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

9) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein, whether or not such affiliate is regulated by the Commission, pursuant to § 56-79 of the Code of Virginia.

10) Beginning April 1, 1997, Company shall file an Annual Report of Affiliate Transactions ("Annual Report") with the Director of Public Utility Accounting for the previous calendar year. Such Annual Report shall include a detailed summary of payments made to/received from affiliates as well as a description of what the payments were for and the case number in which the transaction was approved by the Commission. Such Annual Report shall be filed by April 1 of each year thereafter.

11) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA950045
FEBRUARY 21, 1996

APPLICATION OF
SHENANDOAH TELEPHONE COMPANY

For authority to modify a previously approved affiliates agreement

ORDER GRANTING AUTHORITY

Shenandoah Telephone Company ("Shenandoah", "Company," "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act requesting authority to modify a previously approved affiliates agreement. On June 20, 1986, in Case No. PUA840067, Shenandoah and its affiliates received authority to allocate expenses and return on asset allocations among affiliates. On October 9, 1987, Shenandoah received approval in Case No. PUA870054 to include its affiliate, Shenandoah Long Distance Company ("ShenLong"), as part of the allocation procedures. Shenandoah received authority on September 13, 1989, in Case No. PUA890030, to include its affiliate, Shenandoah Network Company ("Network") as part of its allocation procedures and received authority to include its affiliate, Virginia 10 RSA Limited Partnership ("VA10"), in the arrangement in Case No. PUA900029. On May 15, 1991, Shenandoah received approval in Case No. PUA900066 to include its affiliate, Virginia 10 RSA Resale Limited Partnership, d/b/a Shenandoah Cellular Company ("ShenCell"), as part of the allocation procedures and to exclude contributions from the allocation process due to the establishment of a private foundation to handle the organization's charitable contributions. On September 1, 1991, Company received approval in Case No. PUA910021 to include the private foundation, the ShenTel Foundation ("Foundation"), as part of the allocation procedures.

Shenandoah proposes to include its new affiliate, Shenandoah Personal Communications Company ("ShenPC"), as part of the allocation procedures. As stated in the application, ShenPC is a stock corporation established to arrange for the funding, establishment, and provision of personal communications services ("PCS"). ShenPC has entered into a management agreement and lease with American PCS, L. P. ("APC"), whereby ShenPC will construct and operate a PCS system within a defined portion of the Major Trading Area ("MTA") licenses awarded by the Federal Communications Commission to APC.

Company states that no other allocation methods will change, and ShenPC will simply be incorporated into the allocation procedures. ShenPC will pay tariffed charges to Shenandoah for any services Company provides under tariff in addition to the allocation of general overhead expenses.

As previously indicated, ShenPC has entered into a management agreement and lease with APC whereby ShenPC will construct and operate a PCS system within a defined portion of the license awarded by the Federal Communications Commission to APC. ShenPC expects to obtain some management and employee services from Shenandoah and its affiliates and to obtain tariffed services from Shenandoah. Company and ShenTel may desire to become installation and service agents and sales agents for ShenPC. Company represents that all agent relationships will be on the same terms and conditions as that offered to other agents by ShenPC. Shenandoah proposes to provide certain executive, marketing, accounting, data processing, purchasing, engineering, central office, and house service to ShenPC as is currently provided to its other affiliates. Such services will be provided at full cost to Company as determined by a cost study performed by Company at the end of each calendar month.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion and finds that approval of the application would be in the public interest. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 the Code of Virginia, Shenandoah Telephone Company is hereby granted authority to modify its existing affiliates agreement as described herein.

2) The authority granted herein shall have no ratemaking implications.

3) Applicant shall secure Commission approval for any further changes in the Agreement or the allocator methods and procedures.

4) The authority granted herein does not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

5) The Commission reserves the authority to examine the books and records of any affiliate in connection with the authority granted herein whether or not such affiliate is regulated by the Commission, pursuant to § 56-79 of the Code of Virginia.

6) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA950046
MAY 9, 1996

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY
and
THE CITY OF MANASSAS

For authority to sell public service corporation property

ORDER GRANTING AUTHORITY

Virginia Electric and Power Company ("Virginia Power," "Company," "Applicant") and the City of Manassas, Virginia ("Manassas," the "City") have filed a joint application under the Utility Transfers Act requesting authority to transfer certain public service property from Virginia Power to Manassas, and to amend Virginia Power's Certificate of Public Convenience and Necessity to reflect the reduction in Company's territory caused by the transfer.

Pursuant to the letter of agreement between Virginia Power and Manassas dated May 10, 1995, Company and Manassas mutually agreed that Virginia Power will sell and convey, and Manassas will purchase and acquire the I.B.M. substation facilities, excluding metering, (the "Facilities") subject to receipt of Commission approval.

Company states in its application that in Application of Virginia Electric and Power Company for Authority to Sell Utility Assets, Case No. PUA870063, the Facilities were excluded from the sale of Virginia Power's electric distribution facilities to Manassas in 1988, whereby Virginia Power retained the right to serve the property owned by I.B.M., its successors and heirs, located within the annexed area (the "I.B.M. property"). The Facilities have been, and are currently being, used by Company to provide retail electric service to Loral, Inc., a successor to I.B.M. After acquisition by Manassas, the Facilities will be used for the same purpose in providing electric service to the I.B.M. property, including service to Loral, Inc., and its successors. Although Virginia Power will relinquish its rights to provide retail service to the I.B.M. property, Virginia Power will instead, through its agreement with the Virginia Municipal Electric Association Number 1 ("VMEA") dated January 12, 1989, establish a new resale delivery point at this location for the City, a VMEA member municipality, pursuant to the terms of Company's agreement with VMEA.

Company states that the original cost of the Facilities is $740,525, which was determined using the cumulative average costs of the Facilities. The sales price of the Facilities is $1,400,000. This price was established based on the South Carolina method of valuing utility facilities for sale. The South Carolina method is a valuation method that is prescribed by law in South Carolina and has previously been used by Virginia Power and approved by the Commission. In Application of Virginia Electric and Power Company for Authority to Sell Public Service Property, Case No. PUA920031, the South Carolina method was used when the City of Franklin purchased Virginia Power's electric distribution facilities in an area annexed by the City of Franklin.

As applied in this case, the sales price was determined based on the purchase price of the Facilities using the present reproduction cost of the Facilities less depreciation ($997,800), as estimated by Virginia Power, plus the cumulative costs associated with revenue losses, legal and administrative

fees, filing fees, property taxes, and document preparation and recording fees ($402,200) established as a result of arms-length bargaining between Company and the City.

Company represents that the proposed transaction will allow Manassas to utilize the Facilities, now owned by Virginia Power, to provide electric service to customers and will neither impair nor jeopardize adequate service to the public at just and reasonable rates.

By Commission order dated October 19, 1995 ("October 19, 1995 Order"), Virginia Power was directed to publish notice of the joint application and to serve notice of the joint application on affected local officials, IBM, Loral, Inc., and any other customer receiving electric service by means of these Facilities. In addition, individual notice of the joint application was also given to IBM and Loral Federal Systems, by Staff letters dated November 6, 1995. Virginia Power filed proof of compliance with the Commission's notice requirements on April 10, 1996.

The October 19, 1995 Order also provided an opportunity for interested persons to comment or request a hearing on the joint application. By letter dated January 16, 1996, Loral Federal Systems--Manassas advised that it would not file comments or request a hearing in this matter. No other comments or requests for hearing were received by the Commission's Document Control Center.

After review of the proposed transaction, Staff found that transfer of the proposed Facilities will neither impair nor jeopardize the provision of service to customers at just and reasonable rates and recommended that the proposed transfer be approved. Staff also recommended that Virginia Power's Certificates of Public Convenience and Necessity showing facilities and service territory in Prince William County be amended to reflect the transfer of the facilities and Virginia Power's discontinuance of retail service. In addition, Staff recommended that a report of action be filed in this matter.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion and finds that the above-described transfer will neither impair or jeopardize adequate service to the public at just and reasonable rates and should be authorized. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-89 and 56-90 of the Code of Virginia, Virginia Electric and Power is hereby granted authority to sell and convey to the City of Manassas the I.B.M. substation facilities, excluding metering, at a price of $1,400,000 as described in the application.

2) Forthwith upon receipt of this order, Virginia Power shall file with the Commission's Division of Energy Regulation sufficient copies of appropriate revised maps showing the modification of service territory and the removal of facilities so that revised Certificates of Public Convenience and Necessity may be issued.

3) The authority granted herein shall have no ratemaking implications.

4) In its annual informational filing based on calendar year 1996 operations, or a rate application filed in lieu thereof, Company shall quantify earnings both with and without the effect of this sale.

5) A report of the action taken pursuant to the authority granted herein shall be filed by no later than July 31, 1996, such report to include the date of transfer, the sales price, and the accounting entries reflecting the transfer.

6) This matter shall be continued generally subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUA950047
AUGUST 20, 1996

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For authority to modify a contract for intermediate term firm gas supply service

ORDER GRANTING AUTHORITY

Virginia Natural Gas, Inc. ("VNG," "Company," "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act for authority to modify a contract for intermediate term firm gas supply service. The proposed modifications are to an existing contract with CNG Energy Services Corporation ("CNG Energy") for intermediate term firm gas supplies. The contract was approved by the Commission by Order dated May 2, 1994, in Case No. PUA940007.

In its application, Company proposes several minor modifications including the following:

1) The Maximum Daily Quantity of natural gas is increased from 4,480 Dekatherms per day to 5,050 Dekatherms per Day.

2) The reservation fee will be reduced from $7.25 per Dekatherm to $6.6479 per Dekatherm although the actual reservation charges will increase because of increased volumes.

3) The additional Maximum Daily Quantity of 570 Dekatherms per Day will be made available at the Cornwell, Bridgeport, and Hastings aggregation points on the CNG interstate pipeline system.

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 proposed modifications to the existing contract for intermediate term firm gas supply service would be in the public interest and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Virginia Natural Gas, Inc. is hereby granted authority to modify its existing contract with CNG Energy Services Corporation for intermediate term firm gas supplies as described herein.

(2) The authority granted herein shall not in any way be deemed to include the recovery of any costs or charges for ratemaking purposes.

(3) The authority granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

(4) Should there be any changes in the terms and conditions of the contract for intermediate term firm gas supplies from those contained herein, Commission approval shall be required for such changes.

(5) The Commission reserves the authority to examine the books and records of any affiliate in connection with the authority granted herein whether or not such affiliate is regulated by the Commission.

(6) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA950050
MAY 24, 1996

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of certain transactions pursuant to the Affiliates Act

ORDER GRANTING APPROVAL

On October 19, 1995, Virginia Electric and Power Company ("Virginia Power", "Company", or "Applicant") filed an application with the Commission under the Public Utilities Affiliates Act requesting retroactive and prospective approval of the provision of certain services relating to the procurement and administration of a number of insurance programs procured for the joint benefit of Virginia Power and certain unregulated subsidiaries of Dominion Resources, Inc. ("DRI"). The unregulated affiliates of DRI include Dominion Energy, Inc., Dominion Capital, Inc., and their respective subsidiaries. The Company requested such approval for the benefit of present and future unregulated subsidiaries of DRI. Company stated in its application that its Risk Services Department procures and administers a limited number of insurance programs jointly on behalf of Virginia Power and DRI as well as DRI's unregulated subsidiaries.

Company stated in its application that the policies include Directors' and Officers' ("D&O") Liability Insurance, Crime Insurance, Special Accident Insurance, and Fiduciary Liability Insurance (collectively referred to as the "Plans"). The D&O Liability Insurance Covers directors and officers for errors and omissions in the management of each company's activities and provides reimbursement to each company for sums paid in indemnity of directors' and officers' activities. The Fiduciary Liability Insurance covers breach of fiduciary responsibility in the discharge of duties associated with the administration of the Companies' employee benefit plans as well as any negligent act, error, or omission in the administration of the Plans. The Crime Insurance provides coverage for misappropriation of corporate assets by employees as well as loss of money and securities, counterfeiting, forgery, and computer fraud. The Special Accident Insurance provides coverage for certain specified criminal actions against employees, officers, and directors.

As stated in the application, Virginia Power has procured and administered the Plans for itself and DRI since the holding company was first created. This is specifically authorized under Section 3(e) of the 1986 Cost Allocation and Service Agreement between Virginia Power and DRI, which was approved pursuant to the Commission's Opinion and Final Order dated June 30, 1986, in Commonwealth of Virginia, ex rel. State Corporation Commission, In Re: Ex Parte Investigation of Corporate Reorganization of Virginia Electric and Power Company, ("June 30, 1986 Order"), 1986 S.C.C. Ann. Rept. 249.

Since such authorization, DRI has pursued certain non-utility businesses through subsidiaries. As subsidiaries were created and staffed, many subsidiaries (or their respective employees) were routinely included as a named insured under the Plans. These services, however, were prohibited by the Commission for DRI's unregulated subsidiaries. The Commission's grant of affiliates approval extended only to services for Virginia Power and DRI itself.

Virginia Power acknowledged in its application that it should have obtained approval of the provision of such services on behalf of DRI's subsidiaries in advance of the initiation of the services. Virginia Power and DRI acknowledged in Commonwealth of Virginia, ex rel. State Corporation Commission Ex Parte, In Re: Investigation of Dominion Resources, Inc. and Virginia Electric and Power Company, Case No. PUE940051 that compliance with the Affiliates Act and the Commission's June 30, 1986 Order "has been less than perfect" and that "errors were made," and they committed that those errors "will be corrected." This application is one component of the corrective action that is being taken.

Virginia Power stated that its procurement and administration of a limited number of insurance programs for the joint benefit of Virginia Power, DRI, and its unregulated subsidiaries result in a substantial reduction in total premiums for insurance programs procured and administered solely for the benefit of Virginia Power. Company further stated that such joint procurement and administration eliminates a number of administrative complexities associated with procuring and administering insurance programs separately for Virginia Power, DRI, and its unregulated subsidiaries.

By Commission Order for Notice and Comment dated December 13, 1995, ("December 13, 1995 Order") Company was ordered to serve copies of its application and the December 13, 1995 Order on all parties to the Commission's investigation of the corporate reorganization of Virginia Power, Case Nos. PUE830060 and PUE860037, wherein the Company was prohibited from conducting the type of activities for which it now seeks approval. The December 13, 1995 Order also provided an opportunity for interested parties to comment or request a hearing on Company's application. By letter dated January 3, 1996, Company provided Proof of Notice and Service as required by the December 13, 1995 Order. No parties have provided comments or requested a hearing in this case.

On February 23, 1996, Company filed its Motion to Withdraw application of Virginia Electric and Power Company for Authorizations Regarding Certain Types of Insurance (the "Motion") in this case. In the Motion, Company stated that it was recently informed by its broker and underwriters that separate D&O Liability Insurance policies are now available at a cost to Virginia Power comparable to its share of existing premiums under policies currently written on a joint basis with DRI's unregulated subsidiaries. Company stated that the availability of separate D&O Insurance at a cost comparable to its share of existing premiums eliminated the primary barriers to procurement and administration of D&O insurance independently by Virginia Power and DRI's unregulated subsidiaries. The Company also stated that Fiduciary Liability Insurance, Crime Insurance, and Special Accident Insurance may now be procured independently for Virginia Power at little or no additional cost. Company represented in its Motion that Virginia Power and DRI's unregulated subsidiaries are capable of acquiring independent insurance programs no later than the next renewal date or anniversary date for each of the aforementioned insurance programs. The renewal dates are as follows: D&O Liability Insurance-September 1, 1996; Crime Insurance-July 1, 1996; Fiduciary Insurance-December 17, 1996; and Special Accident Insurance-July 1, 1996.

On March 4, 1996, Virginia Power filed an amendment to its application. In the Amendment, Virginia Power withdrew the February 23, 1996 Motion and requested retroactive and prospective approval for the procurement and administration of the insurance programs for the benefit of DRI's unregulated subsidiaries, other than Virginia Power Fuel Corporation ("VPFC"), through the next renewal date or anniversary date of each insurance program. The Amendment also requested permanent authority to procure and administer insurance programs for VPFC. Virginia Power states that VPFC is a subsidiary of Virginia Power and exists for the purpose of supplying enriched uranium product exclusively to Virginia Power. An agreement with VPFC was approved by Commission Order dated June 28, 1995, in Application of Virginia Electric and Power Company for Approval of Agreement with Virginia Power Fuel Corporation, Case No. PUA950028. As stated in the Amendment, VPFC has no employees and is entirely dependent upon Virginia Power for corporate services. Accordingly, Company requested approval of the procurement and administration of insurance programs for VPFC. Company indicates that VPFC is a named insured on all of Virginia Power's insurance programs including its excess liability insurance, nuclear liability insurance, nuclear property insurance, and the limited insurance programs discussed previously.

On March 22, 1996, Commission Staff filed its report. Staff stated that in view of the short time remaining until renewal of the insurance policies, it appears to be in the public interest to approve the Company's procurement and administration of the Plans on a prospective basis only until the date of renewal of each insurance policy. Staff further stated that since VPFC is a subsidiary of Virginia Power, has no employees, and is entirely dependent upon Virginia Power for corporate services, it appears that the approval of such services for VPFC is also in the public interest. Accordingly, Staff recommended prospective approval of the procurement and administration of the insurance programs by Virginia Power for the benefit of DRI's current unregulated subsidiaries, other than VPFC, through the next renewal date or anniversary date of each insurance program and prospective permanent approval of insurance-related activities for the benefit of VPFC. In the June 30, 1986 Order, the particular services discussed in this application were prohibited. Therefore, Staff did not recommend retroactive approval, as requested by the Company.

THE COMMISSION, upon consideration of the application and documents filed herein and having been advised by its Staff, is of the opinion and finds that in view of the short time remaining until renewal of the policies, it is appropriate to approve Company's procurement and administration of the Plans on a prospective basis only until the next renewal or anniversary date of each insurance policy. Since VPFC is a subsidiary of Virginia Power, has no employees, and is entirely dependent upon Virginia Power for corporate services, it is in the public interest to approve Virginia Power's prospective provision of insurance related activities for the benefit of VPFC. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Virginia Power is hereby granted prospective approval of the procurement and administration of insurance programs by Virginia Power for the benefit of DRI's current unregulated subsidiaries, other than VPFC, through the next renewal date or anniversary date of each insurance program and prospective permanent approval of insurance related activities for the benefit of VPFC.

2) The approval granted herein shall have no ratemaking implications.

3) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

4) The Commission reserves the authority to examine the books and records of any unregulated subsidiary of DRI and of DRI itself in connection with the approval granted herein, whether or not such subsidiary of DRI or affiliate is regulated by the Commission, pursuant to § 56-79 of the Code of Virginia.

5) Information related to the approval granted herein shall be included in Applicant's Annual Report of Affiliate Transactions filed with the Director of Public Utility Accounting of the Commission.

6) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA950051
MAY 24, 1996

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of certain transactions pursuant to the affiliates act, Va. Code § 56-76 et seq.

ORDER GRANTING AUTHORITY

Virginia Electric and Power Company ("Virginia Power" or "Company") has filed an application with the Commission under the Public Utilities Affiliates Act requesting prospective and retroactive approval to administer employee benefit plans for the joint benefit of Virginia Power and present and future unregulated wholly-owned subsidiaries of Dominion Resources, Inc. ("DRI"), including Dominion Energy, Inc., Dominion Capital, Inc., and their respective wholly-owned subsidiaries (collectively "DRI's wholly-owned unregulated subsidiaries"). Company states in its application that it is the Plan Administrator and Plan Sponsor for the DRI Employee Savings Plan and DRI Retirement Plan ("the Savings and Retirement Plans" or "Plans"). Participants in the Plans include the employees of Virginia Power and DRI as well as a number of employees of DRI's unregulated wholly-owned subsidiaries.

Virginia Power states that as Plan Administrator and Plan Sponsor, it is responsible for the operation and management of the Plans, including assurance that the Plans remain in compliance with all laws and regulations including the Employee Retirement Income Security Act ("ERISA"), the Internal Revenue Code ("IRC") qualification requirements, and compliance with the requirements of the Pension Benefit Guarantee Corporation. Virginia Power's Human Resources Department is responsible for the day-to-day operation of the Plans and for their design analysis for compliance and cost benefit purposes.

The application further states that Virginia Power has administered the Plans for itself and DRI since the holding company was first created. This is specifically authorized under Section 3(h) of the 1986 Cost Allocation and Service Agreement between Virginia Power and DRI, which was approved pursuant to the Commission's Opinion and Final Order dated June 30, 1986, ("June 30, 1986 Order") in Commonwealth of Virginia ex rel. State Corporation Commission, In Re: Investigation of Corporate Reorganization of Virginia Electric and Power Company, 1986 S.C.C. Ann. Rept. 249.

Virginia Power states that since such authorization, DRI has pursued certain non-utility business through subsidiary corporations. As those subsidiaries were created and staffed, the Company states that employees of those subsidiaries were routinely included in the Plans. As a consequence, Virginia Power notes that its employees have provided some administrative support and computer processing services or use of computer resources for the benefit of DRI's wholly-owned unregulated subsidiaries.

Virginia Power acknowledges in its application that it should have obtained approval of the provision of such services on behalf of DRI's wholly-owned unregulated subsidiaries in advance of the initiation of the services. The Company notes that in Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte, in re: Investigation of Dominion Resources, Inc. and Virginia Electric and Power Company, Case No. PUE940051 both DRI and Virginia Power acknowledged that compliance with the Affiliates Act and the Commission's June 30, 1986 Order in Case No. PUE830060 "has been less than perfect" and that "errors were made", and they committed that those errors "will be corrected". The Company states that its application is one component of the corrective action that is being taken.

In support of its request to administer the Plans on behalf of DRI's unregulated wholly-owned subsidiaries, the Company represents that the complexity of offering individual Plans to Virginia Power and DRI's wholly-owned unregulated subsidiaries militates against separation. Virginia Power further represents that no additional resources have been or will be needed to continue these services to DRI's unregulated wholly-owned subsidiaries. The Company states that the cost of administering the Plans will continue to be tracked and billed to DRI consistent with the terms of the Cost Allocation and Service Agreement between the Company and DRI. The Company also represents that its service as Plan Administrator of the Plans for the joint benefit of Virginia Power, DRI and DRI's unregulated wholly-owned subsidiaries simplifies the qualification and non-discrimination compliance testing that must be performed on a DRI/total Company basis, even if the Plans are developed and administered on a separate, company-specific basis; reduces expenses to be borne by Virginia Power employee participants; and insures that Virginia Power's business risk associated with administration of the Plans is within the Company's control.

By order dated December 13, 1995, Virginia Power was directed to serve a copy of its application and the Commission's scheduling order on all parties to the Commission's investigation of the corporate reorganization of Virginia Power, Case Nos. PUE830060 and PUE860037, wherein the Company was prohibited from conducting the type of activities for which it now seeks approval. The December 13, 1995 order also provided an opportunity for interested parties to comment or request a hearing on the Company's application. By letter dated January 30, 1996, Virginia Power provided proof of notice and service as required by the Commission's order. No comments or requests for hearing have been received in this matter.

On February 23, 1996, Commission Staff filed its report. In its report, Staff states that the proposed arrangement provides a simplified method for qualification/non-discrimination compliance testing, which is required on a total company basis, and insures that Virginia Power will qualify for tax deductibility of such costs. Staff further states that the arrangement reduces per participant costs borne by Virginia Power employees and assures that there will be no cost increases associated with single plans.

Based on information contained in the application and additional information provided by Virginia Power, Staff states that the proposed arrangement appears to be in the public interest. Staff limits its recommendation to prospective approval for current non-utility subsidiaries of DRI, as the particular services addressed in this application were prohibited by the June 30, 1986 Order.

On March 6, 1996, Virginia Power filed its Motion to Respond to Staff's Report as well as its Response. In its Response, Virginia Power notes that the composition of DRI's wholly-owned unregulated subsidiaries changes from time-to-time due to acquisitions and restructuring. The Company states that the effect of Staff's proposed limitation on Virginia Power's authority, permitting the Company to provide the requested services to only current DRI subsidiaries, would be to require Commission approval in advance of extension of the Plans to employees of any new wholly-owned subsidiary of DRI.

Virginia Power further states that it understands the Staff's reluctance to recommend unlimited approval of the requested services for future wholly-owned subsidiaries of DRI. Accordingly, Virginia Power commits to provide the Staff with an updated list of subsidiaries participating in the Plans on a semi-annual basis. The Company states that such updates should satisfy Staff's concerns in a way that reduces the burdens on the Company and Staff of repetitive approvals and insures that the Commission is regularly informed of the scope of services provided by Virginia Power.

The Commission, upon consideration of this matter, is of the opinion and finds that Virginia Power's application requesting authority to administer employee benefit plans for the benefit of DRI's present and future unregulated wholly-owned subsidiaries should be granted on a prospective basis. Virginia Power will be directed to provide Commission Staff with an updated list of wholly-owned subsidiaries participating in the Plans, as well as any relevant information or documentation that Staff may request, simultaneous with the Company's provision of any of the approved services for any DRI unregulated wholly-owned subsidiary not named in the Company's application.

Consistent with our authority under Virginia Code §§ 56-78 and 56-80, we reserve the right to revise and amend the terms of this Order when and as necessary to protect and promote the public interest. This may mean, for example, that Virginia Power may be directed to cease providing the approved services for an additional DRI unregulated wholly-owned subsidiary or for some or all of the subsidiaries named in the Company's application. Should we later find that modification of this Order is necessary, Virginia Power and the wholly-owned subsidiaries will be given sufficient time to make alternate arrangements for the provision of the services approved by this Order. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to Va. Code § 56-77, Virginia Power is hereby granted prospective approval to serve as Plan Administrator and Plan Sponsor of the DRI Savings and Retirement Plans for the benefit of present and future unregulated wholly-owned subsidiaries of DRI under the terms and conditions and for the purposes as described herein.

(2) Virginia Power shall file reports updating the list of unregulated wholly-owned subsidiaries of DRI for which the Company is serving as Plan Administrator and Plan Sponsor with the Commission's Division of Public Utility Accounting simultaneous with the provision of the approved services for each additional wholly-owned subsidiary of DRI.

(3) The approval granted herein shall have no implications for ratemaking purposes.

(4) Any specific transactions between Virginia Power and the unregulated subsidiaries of DRI, other than those specific transactions approved herein relating to the service of being Plan Administration and Plan Sponsor of the DRI Savings and Retirement Plans, shall require Commission approval.

(5) Approval herein shall not preclude the Commission from exercising its authority over Virginia Power consistent with the provisions of §§ 56-78 and 56-80 of the Code of Virginia.

(6) The Commission reserves the authority to examine the books and records of any unregulated wholly-owned subsidiary of DRI and of DRI itself in connection with the approval granted herein, whether or not such wholly-owned subsidiary of DRI or affiliate is regulated by the Commission, pursuant to § 56-79 of the Code of Virginia.

(7) Information related to the approval granted herein shall be included in Applicant's Annual Report of Affiliate Transactions filed with the Director of Public Utility Accounting of the Commission.

(8) There appearing nothing further to be done in this matter, the same be and it is, dismissed.

CASE NO. PUA950055
NOVEMBER 4, 1996

APPLICATION OF
CLIFTON FORGE-WAYNESBORO TELEPHONE COMPANY

For authority to add four new affiliates to a previously approved affiliates agreement

ORDER GRANTING AUTHORITY

Clifton Forge-Waynesboro Telephone Company ("Telephone Company", "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act requesting authority to add four new affiliates to a previously approved affiliates agreement. Clifton Forge-Waynesboro Telephone Company provides telephone service to the public in the Commonwealth of Virginia.

As stated in the application, CFW Network, Inc. ("Network") provides interexchange telecommunications facilities to both interexchange and local exchange carriers predominately in the Shenandoah Valley, Virginia, and is a public service company. CFW Communications Company ("CFW") owns all the common stock of Telephone Company and Network and is the holding company for them.

Telephone Company and its affiliates, CFW and Network, received Commission approval on April 18, 1988, in Case No. PUA880015 for authority to allow Telephone Company to provide executive, administrative, accounting, and data processing services to CFW and Network and to further provide construction, maintenance, and repair services to Network. All expenses, including a return on assets, were to be allocated among affiliates. In Case No. PUA900016, by Commission Order dated April 11, 1990, Telephone Company received approval to include its new affiliate, CFW Cellular, Inc. ("Cellular") as part of the allocation procedure. Cellular owns interests 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. In Case No. PUA940006, Telephone Company was granted authority to add CFW Communications Services, Inc. ("Services") and CFW Quality Cable, Inc. ("Cable") and to amend the Affiliates Agreement to reflect CFW's

corporate reorganization. In Case No. PUA950013, Telephone Company was granted authority to allow CFW Information Services, Inc. ("Information Services") and CFW Licenses ("Licenses") to be included in the Affiliates Agreement.

In this application, Telephone Company requests authority to amend its Affiliates Agreement (the "Agreement") to allow CFW Cable of Virginia, Inc. ("Cable of VA"), CFW Communications Foundation ("Foundation") Virginia Independent Telephone Alliance, L.C. ("VITAL"), and Valley Network Partnership ("ValleyNet") to be included in the Agreement. Cable of VA provides wireline cable television services in Virginia and is a subsidiary of CFW. Foundation, a private foundation approved as a 501(c)(3) organization, handles the organization's charitable contributions. Foundation and Telephone Company have common management. VITAL, a limited liability company in which Telephone Company has a 36.6% interest, connects telephone companies and interexchange carriers to the Signaling System 7 Network. ValleyNet, a partnership in which Network has a 20% interest, leases transmission capacity on an advanced fiber optic network.

Telephone Company proposes the following changes to be made to its existing affiliates agreement:

1) Cable of VA, VITAL, ValleyNet, and Foundation will become signatories to the Affiliates Agreement. Foundation is added to the Agreement since it is an affiliate of Telephone Company pursuant to Section 56-76 definitions. Telephone Company does not provide any services to Foundation. Telephone Company will provide local telephone service to the other three new affiliates at tariffed rates. Telephone Company agrees to lease facilities and provide construction, repair, maintenance, pole attachments, warehousing, dispatching, and customer services to Cable of VA at full cost. Through management agreements, Telephone Company will provide maintenance and support, engineering, and alarm monitoring to ValleyNet and VITAL. Telephone Company also agrees to provide building space to Cable of VA and VITAL at the higher of cost or market.

2) CFW has updated several of its allocators in order to provide better support, documentation, and more efficient processes to charge its affiliates for services being rendered. A management fee concept is being used for corporate type services being provided to Telephone Company versus strictly using a general allocator. Telephone Company General Manager specifically identifies the services Telephone Company will require from CFW and negotiates the fee for those services. Telephone Company does not expect changes in the dollars allocated on a fee basis versus a generally allocated basis.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion and finds that approval of the amended Affiliates Agreement as described herein would be in the public interest and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Applicant is hereby granted authority to amend its Affilates Agreement as described herein.

2) Should any terms and conditions of the amended Affiliates Agreement change from those contained herein, Commission approval shall be required for such changes.

3) The authority granted herein shall have no ratemaking implications.

4) The authority granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

5) The Commission reserves the authority to examine the books and records of any affiliate in connection with the authority granted herein, whether or not such affiliate is regulated by this Commission, pursuant to § 56-79 of the Code of Virginia.

6) Applicant shall file with the Director of Public Utility Accounting of the Commission by April 1 of each year beginning on April 1, 1997, a report showing a description of services provided by and to Applicant and charges for those services for the preceding calendar year.

7) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA950056
MAY 13, 1996

APPLICATION OF
UNITED CITIES GAS COMPANY

For approval of revisions to storage agreements

ORDER GRANTING APPROVAL

United Cities Gas Company ("Company", "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act for approval of Revised Storage Fields Monthly Storage Expenses ("Revised Storage Expenses") as of November 1, 1995, between United Cities Gas Company and United Cities Gas Storage Company relating to the Tennessee and Kansas operations.

Company has filed for approval of the Revised Storage Expenses pursuant to Commission Order dated April 10, 1995, in Case No. PUA940063. The changes in the Tennessee and Kansas schedules are per the original agreements. Applicant represents that the proposed changes will not affect Virginia operations.

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 Revised Storage Expenses will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to § 56-77 of the Code of Virginia, Applicant is granted approval for the Revised Storage Fields Monthly Storage Expenses as of November 1, 1995, as described in the application.

(2) Should any changes occur in the Storage Agreements from those contained in the application, Commission approval shall be required for such changes.

(3) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

(4) The Commission reserves the right to examine the books and records of any affiliate in connection with the authority granted herein whether or not such affiliate is regulated by this Commission, pursuant to § 56-79 of the Code of Virginia.

(5) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA950057
SEPTEMBER 13, 1996

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For approval to advance funds to its affiliate, Central Telephone Company

ORDER GRANTING APPROVAL

Central Telephone Company of Virginia ("Central," "Company," "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act requesting approval to advance funds to its affiliate, Central Telephone Company ("Centel" or "Affiliate") during 1996, the total not to exceed $30,000,000 at any one time. Company states that, from time to time, it may have no immediate need for internal use of funds. Company states that to utilize the funds in the most effective manner, it seeks approval to loan funds on open account to Affiliate. The interest rate will be determined by the Federal Reserve Commercial Paper Index plus fifteen basis points on a thirty-day average.

Company indicates that since it is a wholly-owned subsidiary of Centel, there is excellent security for the loans. Company further states that since it will charge fifteen basis points more than it would receive if it invested these funds in commercial paper, the public interest is served by providing Central a higher return on its investment.

THE COMMISSION, upon consideration of the application and representation of Applicant and having been advised by its Staff, is of the opinion and finds that the above-described arrangement to advance funds to Affiliate would not be inconsistent with the public interest and should be approved. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to § 56-82 of the Code of Virginia, Central Telephone Company of Virginia is hereby granted approval to loan or advance funds from time to time to Central Telephone Company through December 31, 1996, the total amount outstanding not to exceed $30,000,000 at any one time, under the terms and conditions as described in the application.

(2) Should Company desire to continue such an arrangement beyond December 31, 1996, an application shall be filed with the Commission for subsequent approval.

(3) The approval granted herein shall have no ratemaking implications.

(4) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

(5) The Commission reserves the authority to examine the books and records of any affiliate in connection with the authority granted herein whether or not such affiliate is regulated by the Commission, pursuant to § 56-79 of the Code of Virginia.

(6) Company shall file, on or before February 28, 1997, a report of the action taken pursuant to the approval granted herein; such report to include a schedule of funds loaned to Centel detailing the date of the advance, amount, interest rate, date of repayment, and use of loan proceeds. The report shall also include a schedule of short-term borrowings by Company showing the date of borrowing, amount, maturity, interest rate, and use of proceeds; and a balance sheet reflecting the action taken.

(7) This matter shall be continued generally subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUA950058
SEPTEMBER 13, 1996

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For approval to advance funds to its affiliate, Sprint Corporation

ORDER GRANTING APPROVAL

Central Telephone Company of Virginia ("Central," "Company," "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act requesting approval to advance funds to its affiliate, Sprint Corporation ("Sprint" or "Affiliate") during 1996, the total not to exceed $30,000,000 at any one time. Company states that, from time to time, it may have no immediate need for internal use of funds. Company states that to utilize the funds in the most effective manner, it seeks approval to loan funds on open account to Affiliate. The interest rate will be determined by the Federal Reserve Commercial Paper Index plus fifteen basis points on a thirty-day average.

Company indicates that since it is a wholly-owned subsidiary of Sprint, there is excellent security for the loans. Company further states that since it will charge fifteen basis points more than it would receive if it invested these funds in commercial paper, the public interest is served by providing Central a higher return on its investment.

THE COMMISSION, upon consideration of the application and representation of Applicant and having been advised by its Staff, is of the opinion and finds that the above-described arrangement to advance funds to Affiliate would not be inconsistent with the public interest and should be approved. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to § 56-82 of the Code of Virginia, Central Telephone Company of Virginia is hereby granted approval to loan or advance funds from time to time to Sprint Corporation through December 31, 1996, the total amount outstanding not to exceed $30,000,000 at any one time, under the terms and conditions as described in the application.

(2) Should Company desire to continue such an arrangement beyond December 31, 1996, an application shall be filed with the Commission for subsequent approval.

(3) The approval granted herein shall have no ratemaking implications.

(4) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

(5) The Commission reserves the authority to examine the books and records of any affiliate in connection with the authority granted herein whether or not such affiliate is regulated by the Commission, pursuant to § 56-79 of the Code of Virginia.

(6) Company shall file, on or before February 28, 1997, a report of the action taken pursuant to the approval granted herein; such report to include a schedule of funds loaned to Sprint detailing the date of the advance, amount, interest rate, date of repayment, and use of loan proceeds. The report shall also include a schedule of short-term borrowings by Company showing the date of borrowing, amount, maturity, interest rate, and use of proceeds; and a balance sheet reflecting the action taken.

(7) This matter shall be continued generally subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUA950059
SEPTEMBER 13, 1996

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.

For approval to advance funds to its affiliate, Sprint Corporation

ORDER GRANTING APPROVAL

United Telephone-Southeast, Inc. ("United," "Company," "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act requesting approval to advance funds to its affiliate, Sprint Corporation ("Sprint" or "Affiliate") during 1996, the total not to exceed $15,000,000 at any one time. Company states that, from time to time, it may have no immediate need for internal use of funds. Company states that to utilize the funds in the most effective manner, it seeks approval to loan funds on open account to Affiliate. The interest rate will be determined by the Federal Reserve Commercial Paper Index plus fifteen basis points on a thirty-day average.

Company indicates that since it is a wholly-owned subsidiary of Sprint, there is excellent security for the loans. Company further states that since it will charge fifteen basis points more than it would receive if it invested these funds in commercial paper, the public interest is served by providing United a higher return on its investment.

THE COMMISSION, upon consideration of the application and representation of Applicant and having been advised by its Staff, is of the opinion and finds that the above-described arrangement to advance funds to Affiliate would not be inconsistent with the public interest and should be approved. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to § 56-82 of the Code of Virginia, United Telephone-Southeast, Inc. is hereby granted approval to loan or advance funds from time to time to Sprint Corporation through December 31, 1996, the total amount outstanding not to exceed $15,000,000 at any one time, under the terms and conditions as described in the application.

(2) Should Company desire to continue such an arrangement beyond December 31, 1996, an application shall be filed with the Commission for subsequent approval.

(3) The approval granted herein shall have no ratemaking implications.

(4) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

(5) The Commission reserves the authority to examine the books and records of any affiliate in connection with the authority granted herein whether or not such affiliate is regulated by the Commission, pursuant to § 56-79 of the Code of Virginia.

(6) Company shall file, on or before February 28, 1997, a report of the action taken pursuant to the approval granted herein; such report to include a schedule of funds loaned to Sprint detailing the date of the advance, amount, interest rate, date of repayment, and use of loan proceeds. The report shall also include a schedule of short-term borrowings by Company showing the date of borrowing, amount, maturity, interest rate, and use of proceeds; and a balance sheet reflecting the action taken.

(7) This matter shall be continued generally subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUA950060
AUGUST 9, 1996

APPLICATION OF
GTE SOUTH INCORPORATED

For approval of an affiliate agreement

ORDER GRANTING APPROVAL

GTE South Incorporated ("GTE South," "Company," "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act requesting approval of an agreement referred to as the National Account Agreement (the "National Agreement"). The National Agreement has an effective date of June 1, 1995, and is between GTE Mobile Communications Corporation, GTE Mobilnet Incorporated, and Contel Cellular, Inc., collectively referred to as "GTEMC," and GTE Supply, on behalf of itself and the GTE Telephone Operations Group Affiliates ("GTE Telops"). GTE Mobile Communications Corporation, GTE Mobilnet Incorporated, and Contel Cellular, Inc. are providers of various cellular telecommunications services and products in various geographical areas throughout the United States.

Company states in its application that the National Agreement was executed to ensure that Company, indeed all the GTE operating companies ("GTOCs"), had an agreement in place which would afford it the best prices and services in regard to the acquisition of cellular radio telecommunications services and related cellular telephones and accessories. Company states that within the last few years, its reliance on cellular services in conjunction with the normal operation of its business has increased substantially. By utilizing the services offered by GTEMC under the terms of the National Agreement, GTE South anticipates significant cost savings from discounted national pricing by using the total purchasing power offered by GTE Telops and from semi-annual rate audits conducted by GTEMC pursuant to the National Agreement. Company represents that significant administrative efficiencies should be gained because GTEMC, as the national account manager for GTE Telops, becomes the single point of contact for the acquisition of all cellular services and equipment.

The term of the National Agreement is for an initial period of three years unless terminated or modified under the terms of the National Agreement. If approved by the Commission, GTEMC will become the preferred cellular provider for GTE Telops (in GTEMC market areas), and GTE Telops agrees to make reasonable efforts to convert its current cellular service to GTEMC once existing contractual obligations have been fulfilled. However, the National Agreement is a nonexclusive contract because GTE Telops reserves the right to purchase service from another cellular carrier if such service is less expensive than that offered by GTEMC.

Company represents that the proposed National Agreement will not result in GTE South providing any subsidy to GTEMC or GTE Supply or any other nonregulated entity, nor will Company be exposing itself to any unnecessary business risk. Company further represents that the proposed National Agreement will benefit its ratepayers in Virginia in that it should lower its overall cost of doing business.

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 proposed National Account Agreement is in the public interest and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, GTE South Incorporated is hereby granted approval of the National Account Agreement under the terms and conditions as described herein, with an effective date of June 1, 1995.

(2) The approval granted herein shall not have any ratemaking implications.

(3) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

(4) Should there be any changes in the terms and conditions of the Agreement from those contained herein, Commission approval shall be required for such changes.

(5) The approval granted herein shall be for the initial period of three years, and any renewals or extensions shall require Commission approval.

(6) The Commission reserves the authority to examine the books and records of any affiliate in connection with the authority granted herein whether or not such affiliate is regulated by the Commission.

(7) Company shall file an Annual Report with the Director of Public Utility Accounting of the Commission by April 1 of each year for the previous calendar year, such report to include acquisitions made pursuant to the National Agreement and the amounts paid for such acquisitions. The first report shall be due on or before April 1, 1997.

(8) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA950061
APRIL 5, 1996

APPLICATION OF
CLIFTON FORGE-WAYNESBORO TELEPHONE COMPANY

For approval to transfer equipment to CFW Cellular Inc.

ORDER GRANTING APPROVAL

On November 27, 1995, Clifton Forge-Waynesboro Telephone Company ("CFW Telephone," "Company," "Applicant) filed an application with the Commission under the Public Utilities Affiliates Act requesting approval to transfer certain paging equipment and Improved Mobile Telephone Service ("IMTS") equipment to CFW Cellular Inc. ("CFW Cellular," "Affiliate").

In its application, Company states that it believes it would be appropriate for the paging services and IMTS offered by CFW Telephone to be provided by CFW Cellular. Company further states that the provision of paging services and IMTS by CFW Cellular and the provision of all local exchange services by CFW Telephone will allow each company to focus on its own business segments. For this reason, CFW Telephone desires to transfer certain paging and IMTS equipment to CFW Cellular.

Company proposes to transfer the equipment to Affiliate for a cash payment equal to the net book value at the time of transfer. Company states that such net book value as of December 31, 1995 is $127,940. Following approval of the proposed transfer of the equipment, the tariff provisions of CFW Telephone relating to certain paging services will be withdrawn.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion and finds that the above-described transfer would be in the public interest and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Clifton Forge-Waynesboro Telephone Company is hereby granted approval to transfer its paging assets to CFW Cellular for a cash payment of $127,940, which is the net book value of the assets at December 31, 1995.

2) The approval granted herein shall have no ratemaking implications.

3) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

4) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not such affiliate is regulated by the Commission.

5) On or before June 28, 1996, Applicant shall file a report of the action taken pursuant to the approval granted herein, such report to include the date of transfer, the sales price, and the accounting entries reflecting the transfer.

6) This matter shall be continued generally, subject to the continuing review, audit, and directive of the Commission.

CASE NO. PUA950062
JANUARY 19, 1996

APPLICATION OF
THE POTOMAC EDISON COMPANY

For approval to donate property to the Virginia Department of Transportation

ORDER GRANTING APPROVAL

On November 27, 1995, The Potomac Edison Company ("PE," "Company,") filed an application with the Commission under the Utility Transfers Act requesting approval to donate .035 acres of property (the "Assets") to the Virginia Department of Transportation ("VDOT"). PE states in its application that it owns and operates its Shenandoah Hydro station on land located along Long Avenue in the town of Shenandoah, Virginia. VDOT plans to improve Long Avenue and to accomplish such improvement requires that PE donate to it .035 acres of ground adjacent to the Shenandoah Hydro station property.

Company further states that the Assets have a book value of $76.76 and an estimated market value of $175.44 based on the assessed value. Company also states that the planned changes to Long Avenue will improve access to Company's hydro station property and represents that adequate service to the public at just and reasonable rates will not be impaired or jeopardized by the transfer.

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 transaction will neither impair nor jeopardize adequate service to the public at just and reasonable rates and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-89 and 56-90 of the Code of Virginia, The Potomac Edison Company is hereby granted approval to donate the .035 acres from the site of its Shenandoah Hydro property located on Long Avenue in Shenandoah, Virginia, to the Virginia Department of Transportation for no consideration as described herein.

2) The approval granted herein shall have no ratemaking implications.

3) On or before March 29, 1996, Company shall file a report of the action taken pursuant to the approval granted herein, such report to include the date of transfer and the accounting entries reflecting the transfer.

4) This matter shall be continued generally subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUA950063
JULY 2, 1996

APPLICATION OF
GTE SOUTH INCORPORATED

For approval of an affiliate agreement with GTE Service Corporation and GTE Leasing Corporation

ORDER GRANTING APPROVAL

GTE South Incorporated ("GTE South," "Company," "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act requesting approval of a Master Lease Agreement (the "Master Agreement") with an effective date of February 27, 1990. The Master Agreement is between GTE Service Corporation ("Service Corp."), on behalf of itself and other affiliates of GTE Corporation, including GTE South, and GTE Leasing Corporation ("GTE Leasing").

Company states in its application that since the early 1980's, GTE Corporation has utilized a leasing arrangement, similar in form to the Master Agreement, for the leasing of computers and office system products. Service Corp. has executed this form agreement with many of its approved vendors, including GTE Leasing. GTE South states that the terms and conditions in these form agreements are very favorable to GTE Corporation's affiliates, such as GTE South, in that they are designed to provide the lessee with the appropriate legal protections, while affording the lessee the flexibility needed to manage the leased asset. Company further indicates that these form agreements are structured to enable the individual lessor the ability to easily finance a particular lease in order to offer the lessee competitive lease rates. Since the terms and conditions of these form agreements are identical for each individual lessor, competitive bids are obtained from each potential lessor in order to obtain rates that can be compared on a uniform basis. By utilizing this approach, the lowest bid is easy to identify, and the successful bidder is awarded the lease.

Company indicates that, to date, it has not obtained any services pursuant to the Master Agreement, however, GTE Leasing has indicated that it intends to actively seek Company's business relating to the leasing of office systems and computers. As with all of Company's approved vendors, the value or amount of business that is awarded to GTE Leasing is solely dependent upon how competitive it is on each lease transaction. If GTE Leasing is the low bidder on a specific lease proposal, then it will be awarded the business for that particular transaction.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion and finds that approval of the Master Lease Agreement would be in the public interest. However, to further protect the public interest, the Commission is of the opinion that such approval should not preclude Applicant from being required to file an application for approval of specific lease

proposals. Such applications should be filed with the appropriate analysis showing that leasing is favorable to purchasing and that leasing pursuant to the Master Agreement is the lowest cost alternative. More specific details concerning lease terms should be provided with each application than is contained in the Master Agreement. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, GTE South Incorporated is hereby granted approval to enter into the Master Lease Agreement as described herein.

2) Company shall maintain records on all leases entered into pursuant to the Agreement to be reviewed by the Commission Staff if deemed necessary.

(3) The approval granted herein shall not have any ratemaking implications.

(4) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

(5) Should there be any changes in the terms and conditions of the Master Lease Agreement from those contained herein, Commission approval shall be required for such changes.

(6) The Commission reserves the authority to examine the books and records of any affiliate in connection with the authority granted herein whether or not such affiliate is regulated by the Commission, pursuant to § 56-79 of the Code of Virginia.

(7) Company shall file, with the Director of Public Utility Accounting of the Commission, an annual report of leases entered into pursuant to the Agreement on or before April 1 of each year for leases entered into the previous calendar year. The first such report shall be filed on or before April 1, 1997.

(8) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA950065
JULY 15, 1996

APPLICATION OF
SHENANDOAH TELEPHONE COMPANY

For authority to loan funds to parent

ORDER GRANTING AUTHORITY

Shenandoah Telephone Company ("Shenandoah Telephone" or "Company") has filed an application under the Public Utilities Affiliates Act. Company is a wholly-owned subsidiary of Shenandoah Telecommunications Company ("Telecommunications").

Shenandoah Telephone represents that from time to time it has excess funds, and Telecommunications may have a need for funds. Therefore, Company requests authority to lend to Telecommunications from time to time, between now and December 31, 1996, up to a maximum outstanding amount of $2,000,000 at any one time. Such loans will be evidenced by notes of Telecommunications maturing less than twelve months after the date of issuance and will bear interest payable monthly at the New York prime rate.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion that the proposed loan arrangement would be in the public interest and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Company is authorized, pursuant to § 56-82 of the Code of Virginia, to lend excess funds from time to time to Telecommunications up to a maximum outstanding amount of $2,000,000 at any one time under the terms and conditions as described in the application.

2) Should Company wish to continue the described arrangement after December 31, 1996, an application shall be filed with the Commission for subsequent approval.

3) The authority granted herein shall have no ratemaking implications.

4) The authority granted herein shall not preclude the Commission from applying the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

5) The Commission reserves the right to examine the books and records of any affiliate, whether or not such affiliate is regulated by this Commission, in connection with the authority granted herein, pursuant to § 56-79 of the Code of Virginia.

6) On or before January 3, 1997, Company shall file with the Commission a report of action taken in accordance with the authority granted herein, such report to include a schedule of funds loaned to Telecommunications showing date of the note(s), amount, maturity, interest rate, and use of loan proceeds; a schedule of short-term borrowings by Company showing date, amount, maturity, interest rate, and use of proceeds; and a balance sheet reflecting the action taken.

7) This matter shall be continued generally, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUA950067
JANUARY 17, 1996

APPLICATION OF
TIDEWATER WATER COMPANY AND ITS SUBSIDIARIES

For authority to dispose of and acquire utility assets

DISMISSAL ORDER

On December 12, 1995, Tidewater Water Company ("Tidewater," "Company,") and its Subsidiaries, collectively referred to as "Applicants," filed an application with the Commission under the Utility Transfers Act for authority to dispose of and to acquire utility assets in connection with Tidewater desiring to file an election with the Internal Revenue Service as an S corporation. On December 18, 1995, counsel for Applicants filed a request to withdraw the application. In its request, counsel stated that it would be difficult to complete the documentation and filing necessary to complete the transaction by year's end.

NOW THE COMMISSION, having considered the matter, will dismiss this case from the Commission's docket of active cases. Accordingly,

IT IS ORDERED THAT:

1) Tidewater's request to withdraw its application be and hereby is, granted.

2) This matter shall be dismissed from the Commission's docket of active cases.

CASE NO. PUA950069
JULY 23, 1996

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For authority to enter into central office space agreement

ORDER GRANTING AUTHORITY

Central Telephone Company of Virginia ("Central," "Company," "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act for authority to enter into a central office space agreement with Shenandoah Mobile Company, an affiliate. Company requests authority retroactive to August 1, 1995.

In its application, Company states that it entered into an agreement dated August 1, 1995, with Shenandoah Mobile Company ("Shenandoah," "Affiliate") under which Central leased eighty-four square feet of central office space to Shenandoah. The lease is four an indefinite term but can be terminated on thirty days' notice. The monthly rate is $217.56, or $2,610.72 per year.

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 central office space agreement is in the public interest and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Central Telephone Company of Virginia is hereby granted authority retroactive to August 1, 1995, to enter in the above-described central office space agreement with Affiliate.

2) The authority granted herein shall have no ratemaking implications.

3) The authority granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

4) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not such affiliate is regulated by the Commission.

5) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA950070
JULY 15, 1996

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For approval to extend/amend the present directory publishing agreement

ORDER GRANTING APPROVAL

Central Telephone Company of Virginia ("Central," "Company," "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act for approval to extend for one (1) year the current directory publishing agreement (the "Agreement") between it and its affiliate, The CenDon Partnership ("CenDon," "Affiliate"). The Agreement was approved by the Commission in Case No. PUA880080 by Order dated January 24, 1991, for a five-year period and approved for a one-year extension in Case No. PUA940055 by Order dated May 5, 1995.

In its application, Central proposes to extend the Agreement for a one (1)-year period from January 1, 1996, to December 31, 1996. Company represents that the extension of the Agreement will be beneficial in that Central will continue to obtain payments of 48.65% of net collected revenues and that such arrangement will not be detrimental to the public interest.

THE COMMISSION, upon consideration of the application and representations by Applicant and having been advised by its Staff, is of the opinion and finds that the extension of the Agreement with The CenDon Partnership from January 1, 1996, through December 31, 1996, as described herein would be in the public interest and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Central Telephone Company of Virginia is hereby granted approval of the extension to its CenDon Virginia Directory Agreement as described herein.

2) The Agreement is approved effective January 1, 1996, through December 31, 1996.

3) The approval granted herein shall in no way be deemed to assure recovery of any costs or charges for ratemaking purposes.

4) Any renewal of the Agreement beyond December 31, 1996, shall require Commission approval.

5) In the event the terms and conditions of the Agreement change from those contained herein, Commission approval shall be required for such changes.

6) The approval granted herein shall not preclude the Commission from applying the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

7) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein, whether or not such affiliate is regulated by this Commission, pursuant to § 56-79 of the Code of Virginia.

8) Applicant shall maintain records, subject to Commission inspection and review, detailing all payments made to CenDon under the Agreement.

9) Applicant shall file a Report of Action on or before February 28, 1997, showing year-to-date actual white and yellow page revenues and expenses for Company and CenDon with an itemization of expense levels by expense categories.

10) This matter shall be continued generally subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUA950071
AUGUST 9, 1996

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For authority to enter into a tower space agreement

ORDER GRANTING AUTHORITY

Central Telephone Company ("Company" or "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act requesting authority to enter into a tower space agreement (the "Agreement") with Shenandoah Mobile Company ("Shenandoah"), an affiliate.

As indicated in the application, Company entered into the Agreement dated August 1, 1995, with Shenandoah Mobile Company pursuant to which Company leased space on a microwave tower to Shenandoah. The lease is for a five-year period with the option to extend the lease for an additional three-year period. Company may terminate the Agreement by written notice delivered to Shenandoah at any time. The monthly lease rate is $193.02. Company requests authority retroactive to August 1, 1995.

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 tower space agreement with Shenandoah Mobile Company would be in the public interest and should be approved. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to § 56-77 of the Code of Virginia, Central Telephone Company of Virginia is hereby granted authority to enter into the tower space agreement with Shenandoah Mobile Company under the terms and conditions and for the purposes as described herein.

(2) The authority granted herein shall not have any ratemaking implications.

(3) The authority granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

(4) Should there be any changes in the terms and conditions of the Agreement from those contained herein, Commission approval shall be required for such changes.

(5) The authority granted herein shall be retroactive to August 1, 1995.

(6) The Commission reserves the authority to examine the books and records of any affiliate in connection with the authority granted herein whether or not such affiliate is regulated by the Commission.

(7) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA950072
AUGUST 21, 1996

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For approval of aerial patrol agreement

ORDER GRANTING APPROVAL

Virginia Natural Gas, Inc. ("VNG," "Company," "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act for approval of an aerial patrol agreement (the "Agreement") with CNG Transmission Corporation ("Transmission," "Affiliate"). Pursuant to the Agreement, Transmission will patrol the VNG natural gas pipeline system. The effective date of the Agreement is January 1, 1996, and Company requests approval retroactive to that date. The Agreement terminates on December 31, 1996.

In its application, Company states that on November 2, 1995, it submitted to four separate vendors an identical Request for Quotation to provide aerial patrol by helicopter of VNG's natural gas pipeline system. Only two vendors responded to the Request for Quotation, and Transmission provided the only proposal. VNG states that it is in the public interest for VNG and Transmission to enter into the Agreement in that Affiliate's personnel are familiar with the nature, location, and operation of the VNG natural gas pipeline system and qualifications. Company further states that the experience of the personnel who will be involved in performing the services are appropriate justification for selecting Transmission to provide those services necessary to protect VNG's pipeline investment and the safety of the environment through which it passes.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion and finds that approval of the aerial patrol agreement would be in the public interest. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to § 56-77 of the Code of Virginia, Virginia Natural Gas, Inc. is hereby granted approval of the aerial patrol agreement with CNG Transmission Corporation under the terms and conditons and for the purposes as described herein.

(2) The approval granted herein shall in no way be deemed to include the recovery of any costs or charges for ratemaking purposes in connection with the Agreement.

(3) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

(4) Should there be any changes in the terms and conditions of the Agreement from those contained herein, Commission approval shall be required for such changes.

(5) The approval granted herein shall be effective from January 1, 1996, through December 31, 1996.

(6) Should Applicant choose to extend the Agreement beyond December 31, 1996, Commission approval shall be required for such extension.

(7) The Commission reserves the authority to examine the books and records of any affiliate in connection with the authority granted herein whether or not such affiliate is regulated by the Commission, pursuant to § 56-79 of the Code of Virginia.

(8) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA960001
JUNE 13, 1996

APPLICATION OF
DELMARVA POWER AND LIGHT COMPANY

For authority to purchase and/or sell not more than 4.99% of the common stock of a non-Virginia public utility

ORDER GRANTING AUTHORITY

On January 10, 1996, Delmarva Power and Light Company ("Delmarva," "Company," "Applicant") filed an application with the Commission under the Public Utilities Affiliates Act (the "Affiliates Act") and the Utility Transfers Act requesting authority to purchase not more than 4.99% of the common stock of a non-Virginia public utility. Company also requests authority for possible future transactions between Delmarva and one or more wholly-owned direct or indirect Delmarva subsidiaries with respect to not more than 4.99% of the Non-Virginia Utility's Common Stock (the "Common Stock"). On February 5, 1996, Company filed a Motion for Entry of a Protective Order in this case. On February 9, 1996, the Commission issued a Protective Order as requested by Company.

As stated in the application, the Non-Virginia Utility is not incorporated in Virginia, nor does the Non-Virginia Utility conduct business as a public utility in the Commonwealth of Virginia. However, the Non-Virginia Utility would be a public utility if its public utility facilities were located in Virginia. Other possible holders of the Common Stock include Delmarva Capital Investments, Inc., Delmarva Services Company (both wholly-owned direct subsidiaries of Company), and other wholly-owned direct or indirect Company subsidiaries.

Delmarva states in its application that in 1986, Delmarva Capital Investments, Inc. purchased shares of the Common Stock on the open market. In 1991, Delmarva Capital Investments, Inc. sold some of the Common Stock on the open market. In 1992, the remaining shares of Common Stock then held by Delmarva Capital Investments, Inc. were sold to Delmarva Services Company at the then-market price. In 1994, Delmarva Services Company purchased additional shares of the Common Stock on the open market. Delmarva states that there has been an investment purpose in acquiring the Common Stock. Sales of the Common Stock described herein occurred as a result of cash needs of the holder of the Common Stock at the time the Common Stock was sold.

Company indicates that future decisions regarding the acquisition and/or disposition of all or part of the Common Stock will depend on the cash needs of the holder of the Common Stock, the return earned on the Common Stock, and the investment and other strategies being pursued by the holder of the Common Stock. To date, acquisitions and dispositions of the Common Stock have involved subsidiaries of Delmarva. In the future, for strategic or other reasons, Delmarva may wish to acquire shares of the Common Stock from Delmarva Services Company, other direct or indirect subsidiaries of Delmarva, or on the open market. Delmarva, therefore, requests authority to purchase up to 4.99% of the Common Stock of the Non-Virginia Utility and/or to purchase the Common Stock of its direct or indirect subsidiaries, including Delmarva Capital Investments, Inc. and Delmarva Services Company, through transactions on the open market or between any of them.

Delmarva's direct purchase or sale of the Common Stock requires Commission approval under the Utility Transfers Act since the Non-Virginia Utility would be considered a public utility in Virginia if the facilities owned or operated by it were within the Commonwealth of Virginia. In addition, the purchase or sale of the Common Stock by direct or indirect subsidiaries of Company would constitute the indirect acquisition or disposition of the Common Stock by Delmarva under the Utility Transfers Act. Any future transfers of the Common Stock between Delmarva and one or more of its wholly-owned direct or indirect subsidiaries and any agreement related thereto would require approval under the Affiliates Act.

Section 56-77 of the Code of Virginia (Affiliates Act) requires that all agreements with affiliates be approved by the Commission as in the public interest. Sections 56-89 and 56-90 (Utility Transfers Act) of the Code of Virginia require that all transfers of utility securities be approved by the Commission and that the Commission must be satisfied that such transfer will neither impair nor jeopardize the provision of adequate service to customers at just and reasonable rates.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion and finds that the above-described transactions would be in the public interest and would neither impair nor jeopardize adequate service to the public at just and reasonable rates and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 and §§ 56-89 and 90 of the Code of Virginia, Delmarva Power and Light Company is hereby granted authority to acquire and/or dispose of not more than an aggregate of 4.99% of the Common Stock of the Non-Virginia Utility by Delmarva and/or Delmarva's direct or indirect subsidiaries, including Delmarva Capital Investments, Inc. and Delmarva Services Company, through transactions on the open market or between any of them.

2) The authority granted herein shall have no ratemaking implications.

3) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

4) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein, whether or not such affiliate is regulated by the Commission, pursuant to § 56-79 of the Code of Virginia.

5) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA960002
MARCH 26, 1996

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For approval of the renewal of an Operator Services Agreement with its affiliate, Carolina Telephone & Telegraph Company

ORDER GRANTING APPROVAL

On January 18, 1996, Central Telephone Company of Virginia ("Centel-VA," "Company," "Applicant") filed an application with the Commission under the Public Utilities Affiliates Act requesting Commission approval of the renewal of an Agreement with Carolina Telephone and Telegraph Company ("CT&T," "Affiliate") for the Provision of Operator Services (the "Agreement"). Pursuant to the Agreement, Carolina Telephone and Telegraph Company will provide certain operator service functions for Centel-VA. The Agreement was approved by the Commission in its Order dated June 2, 1995, in Case No. PUA940059 for a one (1)-year period ending January 31, 1996. The Commission's Order Granting Approval directed that any renewal be submitted to the Commission for approval. There are no changes in the terms and conditions of the Agreement. Company requests approval retroactive to January 31, 1996.

As indicated in Case No. PUA940059, the Agreement replaced an InterCompany Service Agreement approved by the Commission in Case No. PUA870086. According to information previously provided by Company, Centel-VA has for many years provided intraLATA and local operator services to its customers in its service areas in Virginia through operators employed by Central Telephone Company, North Carolina Division ("Centel-NC") pursuant to an InterCompany Service Agreement effective December 7, 1987. The InterCompany Service Agreement was approved by the Commission by Order dated March 3, 1988.

Company previously has represented that Centel-NC combined its operator services functions with those of CT&T in order to gain the benefits of economies of scale, including improved services to its customers by having a larger pool of operators to support the function. Company has further stated that CT&T also had state of the art operator provisioning equipment. Company represented that these benefits would accrue to Centel-VA's customers. For these reasons, Company proposed to combine its operator service function with Affiliate.

As indicated in the Agreement, services to be provided by Affiliate to Company will include local operator assistance, toll operator assistance (both station to station, and person to person), and operator transfer services. The charge to Centel-VA will be calculated based on operator work seconds handled each month by CT&T. The price per operator work second is $.0099. No other costs will be charged or allocated to Centel-VA. According to the Agreement, CT&T reserves the right to review the rate charged to Company annually and to make adjustments accordingly to include such changes as the rates of compensation (including wages and benefits) paid by Affiliate to its operator personnel. Company states that these rates are comparable to the expense incurred by Centel-VA when handled internally.

The Agreement is for a one (1)-year period beginning from its effective date and renews automatically thereafter for one (1)-year terms. In addition, the Agreement may be terminated by either party upon ninety (90) days' notice. Centel-VA states that since the services to be provided by Affiliate will not result in increased expenses to Company and in fact may result in lower operating costs from economies of scale, the arrangement is not detrimental to Virginia ratepayers and is in the public interest.

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 Agreement would be in the public interest and should be approved retroactively. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Central Telephone Company of Virginia is hereby granted approval of the Agreement for the Provision of Operator Services with Carolina Telephone & Telegraph Company under the terms and conditions and for the purposes as described herein.

2) Such approval is granted retroactive to January 31, 1996, and effective for a one (1)-year period.

3) Any renewals of the Agreement beyond the one (1)-year period shall require Commission approval.

4) The approval granted herein shall not be deemed to include recovery of any costs or charges in connection with the Agreement for ratemaking purposes.

5) Should any terms and conditions of the Agreement, including the price per OWS charged Applicant for services provided, change from those contained in this application, Commission approval shall be required for such changes.

6) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

7) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein, whether or not such affiliate is regulated by this Commission, pursuant to § 56-79 of the Code of Virginia.

8) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA960003
JULY 22, 1996

APPLICATION OF
SHENANDOAH TELEPHONE COMPANY

For approval of certain transactions with First Bank

ORDER GRANTING APPROVAL

Shenandoah Telephone Company ("Shenandoah," Company," "Applicant") has filed an application with the Commission under the Public Utility Affiliates Act requesting approval of certain transactions with First Bank. Company states in its application that two of its directors, Noel M. Borden and Christopher E. French, are also directors of First Bank. Therefore, First Bank is considered to be an affiliate of Shenandoah, and any transactions or agreements between the two entities require Commission approval under § 56-77 of the Code of Virginia.

In its application, Company states that Shenandoah received approval on May 24, 1993, for Company's affiliate relationship with First Bank. In that case, Christopher E. French's father, Warren B. French, Jr., was a director of Company and First Bank. Warren B. French, Jr. resigned these two board positions on December 31, 1995. With Christopher E. French replacing his father as director of both Shenandoah and First Bank, Company proposes to continue to do a portion of its banking with First Bank. Currently, Shenandoah has a money market investment account and a checking account with First Bank. Company indicates that it may, in the future, purchase Certificates of Deposit from First Bank even though Company currently does not have any Certificates of Deposit with First Bank.

Company represents that charges for all services provided to Shenandoah by First Bank are competitive with those provided by unaffiliated banks in the area and are the same as charged to First Bank's other customers. Company further represents that the fees charged by First Bank for Company's money market investment account and checking account are comparable to and competitive with those charged by unaffiliated banks in the area. Also, First Bank provides its bill collecting service in connection with Company's checking account at no charge. Company further represents that the interest rates for Certificates of Deposit purchased are competitive with those given by unaffiliated banks in the area.

The services provided by First Bank are on a month-to-month basis and may be canceled at will by either party. Shenandoah does not provide any services to First Bank other than local telephone service. Such service is provided in accordance with Company's lawfully filed tariff.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion and finds that the above-described transactions with First Bank are in the public interest and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Shenandoah Telephone Company is hereby granted approval to continue to obtain banking services from First Bank, specifically, Shenandoah's money market account, Shenandoah's checking account and the bill collection service provided by First Bank in connection with that checking account, and any Certificates of Deposit that Shenandoah might purchase from First Bank.

2) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

3) The approval granted herein shall in no way be deemed to include the recovery of any costs or charges for ratemaking purposes.

4) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not such affiliate is regulated by the Commission.

5) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA960004
AUGUST 20, 1996

APPLICATION OF
THE POTOMAC EDISON COMPANY

For authority to enter into a contract with affiliates

ORDER GRANTING AUTHORITY

The Potomac Edison Company ("PE," "Company," "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act requesting authority to enter into an operating agreement among affiliates related to Unit No. 1 at the Fort Martin Generating Station. The Fort Martin Generating Station is a coal-fired electric generating station located in Maidsville, Monongahela County, West Virginia (the "Station"). It

consists of two units having a combined operating capacity of 1,107 mw. Undivided interests in Unit No. 1 at Fort Martin are owned in common by Duquesne Light Company ("DL"), Monongahela Power Company ("Mon Power"), and PE in the following percentages: DL-50%, Mon Power-25%, and PE-25%. Undivided interests in Unit No. 2 at the Station are owned in common by West Penn Power Company ("West Penn")-50%, Mon Power-20%, and PE-30%.

An unregulated, wholly-owned subsidiary of Allegheny Power System ("APS"), AYP Capital, Inc. ("AYP"), has agreed to purchase the 50% undivided interest of DL in Unit No. 1 at the Station. AYP was incorporated in Delaware on August 18, 1994. It was created to allow APS to pursue, on an unregulated basis, opportunities closely related to the core business of APS. The Securities and Exchange Commission has authorized AYP to engage in various activities, including investment in exempt wholesale generators ("EWGs"). The proposed purchase of the undivided interest of DL in Unit No. 1 is one of AYP's activities in the area of EWG investments.

As stated in the application, Unit No. 1 is currently operated by Mon Power for the benefit of its owners pursuant to an Operating Agreement dated April 30, 1965. Certain common facilities are operated under a Common Facilities Operating Agreement dated November 14, 1968, which merely extends the terms of the original Operating Agreement to cover the common facilities (collectively the "Operating Agreement"). The Operating Agreement has governed the operation of Unit No. 1 of Fort Martin since its effective date. A similar operating agreement governs the operation of Unit No. 2 by Mon Power. Company states that the accounting mechanisms embodied in the Operating Agreement have been repeatedly reviewed and accepted in past PE cases over the past twenty-seven years.

Under the Operating Agreement, Unit No. 1 of the Station is operated and maintained by an operating company chosen by an operating committee made up of the three owners of Unit No. 1. The Operating Agreement may be assigned, and upon AYP Capital's purchase of DL's 50% interest in Unit No. 1, DL intends to assign its undivided interest in the Operating Agreement to AYP at the financial closing.

When DL's ownership is transferred, employees of Mon Power will perform services for the benefit of AYP, PE, and West Penn just as they formerly did for DL, PE, and West Penn. These services will be performed and reimbursed in accordance with the terms of the Operating Agreement. Company states that there will be no change in the Operating Agreement upon AYP's purchase of DL's 50% undivided interest in the Station except substitution of AYP for DL.

Company indicates that the accounting for services provided under the Operating Agreement will not change as a result of the transfer of the undivided interest. The assignment of DL's interest in the Operating Agreement to AYP will not alter the cost to PE's customers in Virginia. Company states that such assignment will have no impact on its rates in Virginia. Furthermore, AYP will not sell power to its affiliates, PE, Mon Power, or West Penn without Commission approval. Just as the costs of DL's share of Unit No. 1 at the Station were never charged or paid for by Virginia customers, the same will be true for the power produced from AYP's ownership interest in Unit No. 1.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion and finds that approval of the operating agreement related to Unit No. 1 at the Fort Martin Generating Station would be in the public interest. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to § 56-77 of the Code of Virginia, The Potomac Edison Company is hereby granted authority to enter into the operating agreement related to Unit No. 1 at the Fort Martin Generating Station as described herein.

(2) The authority granted herein shall not have any ratemaking implications.

(3) The authority granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

(4) Should there be any changes in the terms and conditions of the Operating Agreement from those contained herein, Commission approval shall be required for such changes.

(5) The Commission reserves the authority to examine the books and records of any affiliate in connection with the authority granted herein, whether or not such affiliate is regulated by the Commission.

(6) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA960005
APRIL 1, 1996

APPLICATION OF
GTE SOUTH INCORPORATED

For approval of affiliate agreement with GTE Directories Corporation

ORDER GRANTING APPROVAL

On January 31, 1996, GTE South Incorporated ("GTE South," "Company," "Applicant") filed an application with the Commission under the Public Utilities Affiliates Act requesting approval of a directory publishing agreement and amendment with GTE Directories Corporation ("GTE Directories," "Affiliate"). Company requests approval retroactive to the first day of business following January 1, 1996.

GTE South states in its application that on August 15, 1985, Contel of Virginia entered into a contract with Mast Advertising & Publishing, Inc. ("ADS"). Mast Advertising & Publishing, Inc. subsequently became Associated Directory Services, Inc., and the contract included the terms and conditions under which ADS would publish telephone directories for Contel of Virginia in its certificated telephone exchanges in the Commonwealth of Virginia (the "Contract"). On October 10, 1995, GTE South and ADS executed an Amendment to the Contract (the Contract and the Amendment will be collectively referred to as the "Agreement").

As stated by Company, On October 10, 1995, GTE Directories entered into a contract with ADS for the purchase of the Agreement, thereby assuming the publishing rights and obligations of ADS pursuant to the Agreement. GTE Directories has handled the directory publishing needs of Company for many years. By virtue of this transaction, GTE South will now obtain additional publishing services from GTE Directories for its former Contel of Virginia service areas.

Company states that the Agreement is particularly beneficial to GTE South in that it increases the retention rate received by Company by a substantial amount. GTE South represents that the new retention rate is essentially equivalent to that contained in its Master Directory Publishing Agreement with GTE Directories. The previous retention rate for Contel of Virginia was 35% of the gross advertising revenues from directory advertising. The new retention rate is 48.03% of gross advertising revenues.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that the Agreement is in the public interest and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia , GTE South Incorporated is hereby granted approval of the Agreement as described herein, such approval to be effective the first business day following January 1, 1996.

2) Should any terms and conditions of the Agreement change from those contained in this application, Commission approval shall be required for such changes.

3) The approval granted herein shall have no ratemaking implications.

4) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

5) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein, whether or not such affiliate is regulated by this Commission.

6) Any subsequent renewals of the Agreement shall require Commission approval.

7) Applicant shall file a report with the Director of Public Utility Accounting of the Commission beginning May 15, 1997, for 1996 data, and annually thereafter, showing total directory revenues generated, total directory revenues retained by GTE South and by GTE Directories, total expenses incurred broken down by Company and Affiliate and by major expense categories, and a comparison of revenues retained under the Agreement with the level of revenues that would have been retained based on the retention levels under the Master Directory Publishing Agreement approved in Case No. PUA910025.

8) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA960006
DECEMBER 20, 1996

APPLICATION OF
G. W. CORPORATION

For approval of the acquisition of a water system

ORDER GRANTING APPROVAL

G. W. Corporation ("G. W.," "Company," "Applicant") has filed an application with the Commission under the Utility Transfers Act requesting approval of the acquisition of Glenwood Gardens Water System. Company represents that Glenwood Gardens Water System was purchased by Company on August 1, 1995. This property is described as Lot No. 48, the Well Lot, as shown on the Plan of Glenwood Gardens, recorded in Plat Book 22, pages 34 and 35, in the Clerk's Office, Circuit Court, Henrico County, Virginia. Glenwood Gardens Water System provides water service to 117 residential connections in Glenwood Gardens subdivision. The subdivision is located off of I-64, on Gordon Lane, at its intersection with Gladys Lane, in Henrico, Virginia.

Company provides, in its application, the purchase price of Glenwood Gardens Water System as $20,000. An additional $202 was for the title search and $54 for recording fees. The system consists of: one well lot; well and related appurtenances housed in a 10' x 12' x 9' concrete block well house with concrete floor; and one 5,000 gallon hydropneumatic tank. G. W. Corporation acquired from the seller all rights in said water system, pipes, mains, apparatus, equipment, meters, fixtures, personal property, and all other interests.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion and finds that the above-described transfer of utility assets will not impair or jeopardize the provision of adequate service to the public at just and reasonable rates, and such transfer should be approved. Accordingly,

IT IS ORDERED THAT:

1) G. W. Corporation is hereby granted approval, pursuant to §§ 56-89 and 56-90 of the Code of Virginia, of the acquisition of the water supply facility under the terms and conditions as described herein.

2) The approval granted herein shall have no ratemaking implications.

3) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA960009
MARCH 1, 1996

APPLICATION OF
TOLL ROAD INVESTORS PARTNERSHIP II, L.P.

For an order modifying its tariff

FINAL ORDER

On February 22, 1996, Toll Road Investors Partnership II, L.P. ("TRIP II" or "the Company") filed an application for an order modifying the Company's tariff of tolls for the Dulles Greenway. The new tariff would permit the Company to implement temporary toll reductions and promotional discounts designed to increase ridership on the Dulles Greenway.

The Commission Staff ("Staff") filed a Staff Report in response to the application on February 23. The Staff supported the Company's ability to permit toll reductions and promotional discounts. However, the Staff recommended an alternate method to implement the discounts.

On February 28, 1996, the Company filed a Response to the Staff Report ("Response") in which it accepted Staff's recommendation and submitted a tariff ("Revised Exhibit 2") which would implement Staff's findings.

The Company indicated that it filed the application because ridership levels on the Dulles Greenway have continued to lag behind the Company's projections, and it believes that discounts and frequent driver programs are necessary to attract and maintain optimal ridership levels. TRIP II proposed to implement plans for temporary toll reductions and promotional discounts by filing revised tariffs which would set forth the plans. The tariffs would have been implemented on one day notice to the Commission and without notice to the public. Such temporary toll reductions or other discounts would then remain in effect for the period of time stated in the revised tariff, or until the Company filed with the Commission another revised tariff setting forth the newly revised ending date of the promotional plan. The Company sought to implement these proposed tariff revisions without notice since they reduce rates and tolls from levels currently authorized.

In the Opinion and Final Order in Case No. PUA900013, entered on July 6, 1990, the Commission established the level of tolls for the Dulles Greenway. The tolls were to be $1.75 from January 1, 1994, to December 31, 1995, and $2 from January 1, 1996, to December 31, 1997, for traveling the entire length of the Dulles Greenway. By Order dated September 28, 1995, in Case No. PUA950036, the Commission approved a tariff filed by the Company on September 28, 1995. The tariff established the toll charged for travel on the entire length of the road at $1.75. The tariff also set out charges of less than $1.75 for shorter distances traveled. On December 13, 1995, in Case No. PUA950066, the Commission granted a request filed by the Company on December 12, 1995, to delay implementation of a toll increase to $2.00 which would have taken effect on January 1, 1996. TRIP II sought to maintain the toll schedule approved in September, 1995, beyond December 31, 1995, in order to attract and maintain optimal ridership levels on the Dulles Greenway. If the Company intends to implement the increase to the $2.00 toll schedule, it must file a revised tariff setting forth the effective date of the increase no less than thirty days prior to the proposed effective date of the increase.

In its Staff Report, Staff states that it supports the Company's ability to provide its riders toll reductions and promotional discounts. However, Staff believes there is a more effective method to achieve this goal. Staff suggests that the Company's current toll structure be established as the maximum level of tolls that can be charged. This would reduce the administrative burden to obtain approval of any toll reduction or discount, without any loss of control by the Commission over toll increases above the levels already established in previous orders.

Staff notes that the requirements of § 56-542 of the Code of Virginia would be met because a lower toll would not discourage usage and would increase the relative benefit to riders. In addition, TRIP II's rate of return does not appear excessive and could not likely become excessive without a request for toll increases above the maximum levels which would be specified in the new tariff.

In the Company's Response, TRIP II accepted the Staff's recommendation. The Company submitted a revised tariff as Revised Exhibit 2 which designated the existing toll structure as the maximum amount that could be charged for travel on each section of the Greenway. Since the Company has yet to exercise its ability to implement the increase in tolls to $2.00, the maximum tolls that could be charged under this revised tariff are: Main Line Toll Plaza, $1.75; Route 606 West Exit, $1.75; Route 772, $1.50; Claiborne Parkway, $1.25; and Route 659, $1.00. Under the new tariff, the Company could implement variances from the maximum toll levels so long as those variances do not exceed the maximum toll levels. Further, TRIP II would record the variances in tolls in a supplement to the tariff to be filed with the Commission prior to their implementation. The new tariff would preserve the condition previously approved by the Commission that the $2.00 maximum toll schedule be implemented only after thirty-days notice to the Commission.

NOW THE COMMISSION, having considered the application and the applicable law, is of the opinion and finds that the Company's current toll structure should be considered the maximum level of tolls that can be charged, and the Company should have the ability to offer promotions and discounts so long as they do not cause tolls to exceed the maximum levels. This finding is consistent with Virginia Code § 56-542 for the reasons stated by Staff in its Staff Report. Under the new tariff, the Company must submit supplements to the tariff which reflect any variances in the toll charged. Given these requirements, the Commission finds the tariff submitted as Revised Exhibit 2 to be acceptable under § 56-543(B)(1). Since the changes to the

present toll structure do not effect an increase, such changes can be implemented by the Company without notice to the public under Virginia Code § 56-40. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The tariff that has been submitted by the Company as Revised Exhibit 2 which notes that the current rate structure is the maximum toll that can be charged shall be implemented without notice, pursuant to Virginia Code § 56-40.

(2) As reflected in the tariff submitted as Revised Exhibit 2, the Company may implement variances from the maximum tolls so long as such variances are nondiscriminatory and do not cause the actual toll to exceed the maximum toll stated in the tariff.

(3) As reflected in the tariff submitted as Revised Exhibit 2, the Company shall record such variances in a supplement to the tariff filed with the Commission's Division of Economics and Finance prior to the implementation of the variance.

(4) This matter shall be dismissed and placed in the Commission's file for ended causes.

CASE NO. PUA960010
SEPTEMBER 25, 1996

APPLICATION OF
NORTHERN VIRGINIA ELECTRIC COOPERATIVE

For authority to sell utility assets to Loudoun County

ORDER GRANTING AUTHORITY

Northern Virginia Electric Cooperative ("NOVEC," "Company," "Applicant") has filed an application with the Commission under the Utility Transfers Act requesting authority to sell certain utility assets to Loudoun County, Virginia ("Loudoun County"), at a price of $149,569.36. This price is equal to the net book value of the assets.

NOVEC states in its application that it entered into a discussion with Loudoun County Government Energy Services Staff as to how they might be able to reduce their monthly electric energy costs at their Sycolin Road facilities. As a result of the discussion, NOVEC suggested that by combining all their present individually metered services under one primary meter system, significant savings could be realized under NOVEC's Large Power Rate which provides for a ten percent discount if service is taken at 12.5 kV or above. NOVEC also pointed out that once combined, the level of this single primary load would be sufficiently high enough for this combined load to qualify for Company's Interruptible Rate, IS-3, which, if other conditions were met under this rate, would result in further energy savings to Loudoun County.

After seeking and obtaining permission from its Board of Supervisors, Loudoun County requested NOVEC to sell to Loudoun County the existing distribution system on their property so that they might receive service at primary voltage and realize the savings offered under NOVEC's PS-10A or IS-3 tariffs. Following Loudoun County's request, Company's Board of Directors voted to approve the sale. Company states that the removal of the assets from its system will in no way hinder its ability to cost effectively serve its existing or future customers in the area.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion and finds that the above-described transfer would neither impair nor jeopardize adequate service to the public at just and reasonable rates. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-89 and 90 of the Code of Virginia, Northern Virginia Electric Cooperative is hereby granted authority to transfer the utility assets as described herein.

2) The authority granted herein shall have no ratemaking implications.

3) On or before November 29, 1996, Applicant shall file a report of the action pursuant to the authority granted herein, such report to include the date of transfer of the utility assets, the sales price, and the accounting entries reflecting the transfer.

4) This matter shall be continued generally subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUA960011
NOVEMBER 7, 1996

APPLICATION OF
UNITED CITIES GAS COMPANY

For approval to extend an approved lease agreement

ORDER GRANTING APPROVAL

United Cities Gas Company ("UCGC," "Company," "Applicant") filed an application with the Commission under the Public Utilities Affiliates Act requesting approval to extend, through May 11, 2000, its existing Aircraft Equipment Lease with its affiliate, UCG Energy Corporation (Energy). Approval of a two year lease was granted in Case No. PUA930018. Approval to adjust lease payments to incorporate the cost of overhauling the engines was granted in Case No. PUA950038.

Energy is a wholly owned subsidiary of UCGC providing rental and utility services to affiliates. Officers and employees at UCGC's corporate headquarters located in Brentwood, Tennessee, often travel within the eight state service area of UCGS using either the leased seven passenger aircraft, a 1978 King Air 200, or commercial aircraft, depending upon specific travel requirements, as approved by senior management.

Charges are based on actual operating costs without profit or mark-up. Charges include all direct costs of travel to or in Virginia and allocated costs based on the ratio of employees in the Virginia service area to UCGC's total service area for corporate travel that can not be directly assigned.

UCGC will maintain the same conditions, arrangements, and reporting as required under PUA930018. The Company will track the use and purpose, as well as cost of specific trips. Under these reporting requirements the Company will identify dollar differences between costs of using its aircraft and the costs of commercial travel.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion that extension of the Lease Agreement through May 11, 2000, would be in the public interest and should be approved. The Commission is of the further opinion that, in order to monitor effectively the Lease Agreement, detailed reporting be required by the Company concerning Company's use of the aircraft and costs assigned and allocated for such use. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Applicant is hereby granted approval of the Lease Agreement through May 11, 2000.

2) Should any terms and conditions of the Lease Agreement change from those described herein, Commission approval shall be required for such changes.

3) The approval granted herein shall in no way be deemed to include approval of recovery of any charges or costs for ratemaking purposes.

4) The approval granted herein shall not preclude the Commission from exercising the provisions of § 56-78 and § 56-80 of the Code of Virginia hereafter.

5) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein, whether or not such affiliate is regulated by this Commission, pursuant to § 56-79 of the Code of Virginia.

6) The Applicant shall file a Report of Action on or before May 1, 1997, for the preceding calendar year and shall file a report with each rate case filing, containing the following information for all costs allocated or charged to Virginia in accordance with the Lease Agreement, such information to be provided on a per trip or charge basis: a description of the purpose of each trip; names and titles of individuals traveling; specific reasons for each individual traveling; the total cost, by individual, allocated or charged to Virginia; the comparable commercial coach fare, or charter fare, if commercial flights were not available, for each trip, including the names of the airlines surveyed and the date of survey; and the amounts and accounts charged, by month.

7) This matter shall be continued generally, subject to the continuing review, audit, and appropriate directive of this Commission.

CASE NO. PUA960014
SEPTEMBER 13, 1996

APPLICATION OF
VIRGINIA-AMERICAN WATER COMPANY

For approval of a lease agreement with affiliate

ORDER GRANTING APPROVAL

Virginia-American Water Company ("Virginia-American," "Company," "Applicant") has filed an application with the Commission under the Public Utility Affiliates Act requesting Commission approval of a GAC Lease Agreement (the "Agreement") between Virginia-American and its affiliate, American Commonwealth Management Services Company, Inc. ("ACMS," "Affiliate"). Company states in its application that ACMS is a Delaware corporation which owns a customized Water Carbon Reactivation Facility in Columbus, Ohio. Both Virginia-American and ACMS are wholly-owned subsidiaries of American Water Works Company, Inc., and as such are "affiliated interests" as defined in § 56-76 of the Code of Virginia.

Virginia-American states that in its Hopewell District, Granular Activated Carbon ("GAC") provides taste and odor removal in the water treatment process. Taste and odor removal occurs as water passes through contactors filled with carbon, which absorbs odor-bearing compounds from the water. Eventually, the carbon becomes "spent" for odor removal and must be replaced. In the past, spent carbon was discarded and replaced with virgin carbon. Company further explains that more recently, a technology known as carbon reactivation has been developed, which permits the reuse of spent carbon by subjecting the material to high temperatures in a rotary kiln furnace. The high temperature destroys absorbed compounds and reactivates the carbon's absorption properties. Recycling the carbon reduces not only waste, but also cost. Company further states that reactivation also eliminates tracking, manifesting, and liability associated with spent carbon disposal.

Virginia-American proposes to enter into a GAC lease Agreement with ACMS to be effective on or about March 31, 1996, or as soon thereafter as the Agreement is approved by the Commission. ACMS has been providing reactivated carbon to Virginia since April 18, 1994.

Company represents that reactivated carbon is leased by several firms including ACMS. However, only ACMS operates a facility which is dedicated to potable water grade carbon and minor amounts of food grade carbons. Company states that its GAC is handled in a segregated manner and not mixed with other carbons. After each customer's carbon is reactivated, ACMS cleans the storage vessels, and the furnace is heated to destroy any remaining impurities.

Company represents that in late 1995, it solicited bids for purchasing virgin GAC from several firms. Quotes obtained ranged from $22.50/cu. ft. to $29.00/cu. ft. Company further represents that Affiliate will provide reactivated carbon to Company for $17.47/cu.ft.

Company also states that it analyzed the cost of purchasing versus leasing GAC from ACMS, the results of which show that the revenue requirement related to leasing the carbon for contact filters 1A, 1B, and 1C over the life of the Agreement is $83,336 versus $85,493 if the carbon were purchased.

The proposed lease provides for the collection of spent carbon from contact filters 1A, 1B, and 1C, reactivation of carbon and additional virgin carbon to provide 1,380 cu. ft. of material for each contact filter, installation of reactivated carbon, and testing of carbon every six (6) months. The term of the Agreement is for thirty six (36) months from March 31, 1996, or the date of Commission approval. The annual basic rental will be $27,072. Upon expiration of the initial term, the Agreement grants renewal or extension upon such terms and conditions as mutually agreed upon by the parties. The proposed Agreement is the same in all material respects as the lease for reactivated carbon between Company and Affiliate approved in Case No. PUA940032 and Case No. PUA950026. The previous approvals were for contact filters 2A, 2B, 2C, and 2D.

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 GAC Lease Agreement would be in the public interest and should be approved. The Commission is of the further opinion, however, that, to ensure that the Agreement continues to be in the public interest, any extensions or renewals of the Agreement beyond the initial three (3)-year period should require Commission approval. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Virginia-American Water Company is hereby granted approval of the GAC Lease Agreement with American Commonwealth Management Services Company, Inc. under the terms and conditions as described herein.

2) Such approval shall be effective for three (3) years beginning on the date of this Order.

3) Any renewals or extensions of the Agreement beyond the three-year period approved herein shall require Commission approval.

4) The approval granted herein shall in no way be deemed to include the recovery of any costs or charges for ratemaking purposes.

5) Should any terms and conditions of the Agreement change from those described in the application during the initial three (3)-year period approved herein, Commission approval shall be required for such changes.

6) The approval granted herein shall not preclude the Commission from applying the provisions of the Code of Virginia, §§ 56-78 and 56-80 hereafter.

7) The Commission reserves the right to examine the books and records of any affiliate in connection with the approval granted herein, whether or not such affiliate is regulated by this Commission, pursuant to § 56-79 of the Code of Virginia.

8) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA960016
MAY 31, 1996

APPLICATION OF
GTE SOUTH INCORPORATED

For authority to enter into agreements relating to the resale of long distance services

ORDER GRANTING AUTHORITY

On March 13, 1996, GTE South Incorporated ("GTE South," "Company," "Applicant") filed an application with the Commission under the Public Utilities Affiliates Act requesting authority to enter into agreements with GTE Card Services Incorporated relating to the resale of long distance

services. GTE Card Services Incorporated, doing business in Virginia as GTE Long Distance ("GTELD"), is a general business corporation organized in the State of Delaware. GTELD is a non-facilities based reseller of certain interLATA and interstate long distance telecommunications services. GTELD is a wholly-owned subsidiary of GTE Information Services Incorporated, a Delaware corporation.

In its application, Company requests authority to enter into certain agreements under which Company and GTELD will offer GTE's local exchange customers and all other consumers in Virginia another option in purchasing long distance services. Company requests authority to enter into a Sales Agent and Marketing Agreement and a Billing and Collection Agreement.

Sales Agent and Marketing Agreement

Under the proposed Sales Agent and Marketing Agreement (the "Agreement"), GTE South will become an agent of GTELD for the purpose of jointly marketing Company's local and intraLATA toll services along with GTELD's long distance telecommunication services. The Agreement provides that, for an initial term of three years, GTE South will promote and sell, through trained representatives, GTELD long distance telecommunications services at rates, charges, and categories to be set by GTELD. In marketing these services, GTE South will be GTELD's agent and will comply with all legal requirements in documenting customers' decisions to obtain long distance telecommunications services through Company. When combined with GTE South's efforts to promote intraLATA and local services, customers in GTE South's certificated areas will be able to choose to have all of their local and long distance services--intraLATA, intrastate interLATA, and interstate services--provided through one arrangement with Company.

As compensation for these services, GTELD will pay GTE South on the basis of a minimum $.009 per minute of use ("MOU") generated by customers using GTELD long distance telecommunication services with additional payments per MOU conditioned on annual growth in the use of the services. During the first year, there will be a minimum payment of $20 million. GTE South will retain all of the revenue associated with its intraLATA MOU since that service will be provided directly by Company. Expenses related to the marketing effort will be allocated to GTE South based on MOU generated in the marketing effort. Company is of the opinion that the additional MOU of intraLATA service and agency payments for other long distance services will cover all expenses associated with this program.

Billing and Collection

GTE South will bill and collect for the GTELD services pursuant to the Billing and Collection Agreements. Company states that these Billing and Collection Agreements are based on standard form agreements and, with minor modifications as the result of individual negotiations, are substantially identical to the Billing and Collection Agreements GTE South has in effect with other small to medium interexchange carriers that use these services. The rates for these services are the same as those offered to any other interexchange carriers with similar volumes and terms.

The first Billing and Collection Agreement applies for billing customers of the General Telephone Operating Companies ("GTOCs") that are parties to the Billing and Collection Agreement. The rates and charges for such services consist of certain one-time set-up charges and per customer and per call charges for recording calls, printing bills, postage, and record retention. There are also rates for ancillary services such as customer billing inquiries, billing analysis services, and investigative services. There are also provisions for including informational billing inserts for GTELD service that are paid for on a set-up charge and a per page insert fee basis.

The second Billing and Collection Agreement is for rendering bills to customers that are not within the GTOCs certificated local areas. This agreement is similar to the first agreement except that all of the costs of these bills are paid by GTELD since only GTELD services will be reflected on the bills.

The third Billing and Collection Agreement is for the provision of ChoiceBilling Services, which may include the processing, packaging and distribution of billing records or invoices to other local exchange companies for billing to their customers or the direct billing to and collection from those customers. Company states that the ChoiceBilling platform is necessary for the billing of GTELD messages both within and without the GTOCs service territory, because GTELD uses a proprietary billing format and ChoiceBilling converts these records to an industry standard billing format.

Company states that all of these billing and collection services offered by the GTOCs to GTELD are and will continue to be offered to other providers of long distance services on substantially similar terms. The GTOCs are not responsible for uncollectible accounts related to GTELD services and will not terminate local service for failure to pay GTELD charges except within the GTOCs' certificated areas and in accordance with state rules governing such matters. The Commission notes here that, in Virginia, GTE South will not be permitted to terminate local service for failure to pay GTELD charges.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion and finds that approval of the Sales Agent and Marketing Agreement and the Billing and Collection Agreements would be in the public interest and should be approved. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to § 56-77 of the Code of Virginia, GTE South Incorporated is hereby granted authority to enter into the Sales Agent and Marketing Agreement and Billing and Collection Agreements as described herein.

(2) The authority granted herein shall not have any ratemaking implications.

(3) The authority granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

(4) The authority granted herein does not supersede any provisions of the GTE South Alternative Regulatory Plan or any existing applicable Virginia statutes or Commission rules.

(5) Should there be any changes in the terms and conditions of the Sales Agent and Marketing Agreement and the Billing and Collection Agreements from those contained herein, Commission approval shall be required for such changes.

(6) The authority granted herein shall be for the initial term for the agreements as stated in the agreements, and any renewals or extensions shall require Commission approval.

(7) The Commission reserves the authority to examine the books and records of any affiliate in connection with the authority granted herein whether or not such affiliate is regulated by the Commission.

(8) Applicant shall file an annual report with the Director of Public Utility Accounting each year by no later than May 31, the first report to be filed by no later than May 31, 1997. The report shall provide the revenues and expenses related to the agreements and the applicable rate per MOU.

(9) GTE South will provide appropriate disclosure, to be approved by the Commission's Division of Communications, to its customers utilizing GTELD long distance services if its long distance rates differ from those of GTELD.

(10) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA960018
NOVEMBER 7, 1996

APPLICATION OF
C & P ISLE OF WIGHT WATER COMPANY

Application to purchase water supply facilities serving the Subdivisions known as Ashby and Brewer's Creek

ORDER GRANTING APPROVAL

C & P Isle of Wight ("Company") filed an application on February 28, 1996, under the provisions of the Utility Transfer Act, Chapter 5, Code of Virginia, for approval of its purchase of the water supply facilities serving the Subdivisions known as Ashby and Brewer's Creek. The water system known as Ashby was acquired by the Company on September 15, 1994. The water system known as Brewer's Creek was acquired by the Company on October 30, 1995. Both water systems are located within the County of the Isle of Wight, Virginia, and have approximately 13 users each.

The Company was incorporated on January 1, 1990. The Company operates six independent water systems, including the Ashby Subdivision and the Brewer's Creek Subdivision. The Company is affiliated with C&P Suffolk Water Company, C&P Bottled Water Company, and Christian and Pugh Well Drilling. No one is employed by the Company, but the Company relies on affiliates to provide labor for maintenance and management services.

The Ashby water system has been operated by the Company since September 15, 1994. The Brewer's Creek water system has been operated by the Company since October 30, 1995. The terms of acquisitions are contained in Memorandums of Understanding dated February 3, 1994, for the Ashby system and dated September 14, 1994, for the Brewer's system. The application states that there were no affiliations between the Company nor its principals and sellers which would have influenced the negotiated purchase price.

On July 20, 1995, in Case No. PUE950062, C&P Isle of Wight filed an application for a certificate of public convenience and necessity to provide water service to the Ashby and Rushmore subdivisions and to the Isle of Wight Industrial Park and for approval of its tariffs.

On October 6, 1996, the application was amended to include two additional systems, Popular Harbor No. 1 and No. 2. The Company had inadvertently omitted these systems from its application.

The Report of the Hearing Examiner was issued on May 29, 1996.

In a final order, issued on August 5, 1996, the Commission granted the Company a certificate of public convenience and necessity to provide water to various subdivisions, including the Ashby subdivision. It directed the Company to file an application to amend its certificate to include Brewer's Creek subdivision. The Company filed an application for a certificate on October 4, 1996, which is now pending before the Commission.

Under the terms of the acquisition of Brewer's Creek (Memorandum of Understanding), the Company assumed all follow-up engineering costs associated with bringing the system into compliance with EPA and the State Health Department. The Company also provided labor and material needed to complete the water system as approved for construction by the State Department of Health while the developer, transferring the assets to the Company, retained connection fees collected by the developer as compensation for the investment in the water system.

Ashby and Brewer's Creek subdivisions, as part of the C & P Isle of Wight Water Company, have access to operational and managerial resources not available to the separate water systems. As reported by the County of Isle of Wight Public Service Authority, the Company has a reputation for quality service with a minimum number of service problems.

After reviewing the above considerations, Staff concluded that acquisition of the Ashby and Brewer's Creek subdivisions by C & P Isle of Wight would to be in the public interest and should be approved.

THE COMMISSION, upon consideration of the application and representation of Applicant and having been advised by its Staff, is of the opinion that the acquisition of the Ashby and Brewer's Creek Subdivisions by C & P Isle of Wight would be in the public interest and should be approved. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to § 56-77 of the Code of Virginia, Applicant is hereby granted approval for the acquisition of the Ashby and Brewer's Creek Subdivisions.

(2) There being nothing further to come before the Commission, the matter is dismissed and shall be removed from the Commission's docket of active cases.

CASE NO. PUA960019
AUGUST 20, 1996

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.

For approval of a calling card 800 access honoring agreement with an affiliate

ORDER GRANTING APPROVAL

On March 15, 1996, United Telephone-Southeast, Inc. ("United," "Company," "Applicant") filed an application requesting approval of an agreement with Sprint Communications Company L. P. ("Sprint L. P." or "Affiliate") pursuant to which the parties to the agreement propose to add to the functionality of Company's current local exchange line number calling card by providing to United's ratepayers the convenience of a United local exchange line number calling card having an 800 network access number provided by Sprint L. P. in addition to an 0+ access option. The proposed agreement is entitled, "LEC Calling Card 800 Access Honoring Agreement between Sprint Communications Company L. P. and United Telephone - Southeast, Inc. (Virginia Operations)" and is referred to as the "Agreement."

The Agreement details specific services to be provided. The initial term of the Agreement is for a two-year period, and the Agreement shall renew for subsequent one-year periods subject to certain termination provisions.

Company states that the services to be provided pursuant to the Agreement are needed in order for United to provide its customers with the convenience of using a United local exchange line number calling card having the current 0+ access option and an 800 network access number option that guarantees Company ratepayers use of Sprint Corporation's network when utilizing that dialing option. United states that calling cards issued pursuant to the Agreement do not prohibit Company's customers from selecting the carrier of their choice when utilizing the 0+ dialing option, just as United's current calling cards are accepted. United currently has an 0+ access honoring agreement with AT&T whereby AT&T has agreed to accept a United calling card to pay for calls utilizing the AT&T network, and United has agreed to accept an AT&T calling card to pay for calls utilizing United's network. However, AT&T has canceled that agreement effective May, 1997.

Through the proposed Agreement with Sprint L. P., United will continue to provide its customers with 0+ calling card flexibility and an 800 access option. In addition, the calling cards currently utilized by Company's customers contain the former North American Numbering Plan ("NPA") area code which existed prior to recent NPA splits. The calling cards issued pursuant to the proposed Agreement will contain United's customers' present area code. Company states that all United services provided to Sprint L. P. will be provided at existing tariffed rates. Charges to United will be based upon directly assignable costs.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion and finds that approval of the LEC Calling Card 800 Access Honoring Agreement between Sprint Communications Company L. P. and United Telephone-Southeast, Inc. (Virginia Operations) would be in the public interest and should be approved. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to § 56-77 of the Code of Virginia, United Telephone-Southeast, Inc. is hereby granted authority to enter into the LEC Calling Card 800 Access Honoring Agreement between Sprint Communications Company L. P. and United Telephone-Southeast, Inc. (Virginia Operations) as described herein.

(2) The authority granted herein shall not have any ratemaking implications.

(3) The authority granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

(4) Should there be any changes in the terms and conditions of the Agreement from those contained herein, Commission approval shall be required for such changes.

(5) The authority granted herein shall be for the initial period of two years, and any renewals or extensions shall require Commission approval.

(6) The Commission reserves the authority to examine the books and records of any affiliate in connection with the authority granted herein whether or not such affiliate is regulated by the Commission, pursuant to § 56-79 of the Code of Virginia.

(7) Applicant shall file a Report of Action on or before April 1 of each year, such report to show United's revenues and expenses related to the Agreement for the previous calendar year. Reports of Action shall be filed on or before April 1, 1997, 1998, and 1999.

(8) This matter shall be continued generally subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUA960020
AUGUST 20, 1996

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For approval of a calling card 800 access honoring agreement with an affiliate

ORDER GRANTING APPROVAL

On March 15, 1996, Central Telephone Company of Virginia ("Centel," "Company," "Applicant") filed an application requesting approval of an agreement with Sprint Communications Company L. P. ("Sprint L. P." or "Affiliate") pursuant to which the parties to the agreement propose to add to the functionality of Company's current local exchange line number calling card by providing to Centel's ratepayers the convenience of a Centel local exchange line number calling card having an 800 network access number provided by Sprint L. P. in addition to an 0+ access option. The proposed agreement is entitled, "LEC Calling Card 800 Access Honoring Agreement between Sprint Communications Company L. P. and Central Telephone Company of Virginia" and is referred to as the "Agreement."

The Agreement details specific services to be provided. The initial term of the Agreement is for a two-year period, and the Agreement shall renew for subsequent one-year periods subject to certain termination provisions.

Company states that the services to be provided pursuant to the Agreement are needed in order for Centel to provide its customers with the convenience of using a Centel local exchange line number calling card having the current 0+ access option and an 800 network access number option that guarantees Company's customers use of Sprint Corporation's network when utilizing that dialing option. Centel states that calling cards issued pursuant to the Agreement do not prohibit Company's customers from selecting the carrier of their choice when utilizing the 0+ dialing option, just as Centel's current calling cards are accepted. Centel has an 0+ access honoring agreement with AT&T whereby AT&T has agreed to accept a Centel calling card to pay for calls utilizing the AT&T network, and Centel has agreed to accept an AT&T calling card to pay for calls utilizing Centel's network. However, AT&T has canceled that agreement effective May, 1997.

Through the proposed Agreement with Sprint L. P., Centel will continue to provide its customers with 0+ calling card flexibility and an 800 access option. In addition, the calling cards currently utilized by Company's customers contain the former North American Numbering Plan ("NPA") area code which existed prior to recent NPA splits. The calling cards issued pursuant to the proposed Agreement will contain Centel's customers' present area code. Company states that all Centel services provided to Sprint L. P. will be provided at existing tariffed rates. Charges to Centel will be based upon directly assignable costs.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion and finds that approval of the LEC Calling Card 800 Access Honoring Agreement between Sprint Communications Company L. P. and Central Telephone Company of Virginia would be in the public interest and should be approved. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to § 56-77 of the Code of Virginia, Central Telephone Company of Virginia is hereby granted authority to enter into the LEC Calling Card 800 Access Honoring Agreement between Sprint Communications Company L. P. and Central Telephone Company of Virginia as described herein.

(2) The authority granted herein shall not have any ratemaking implications.

(3) The authority granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

(4) Should there be any changes in the terms and conditions of the Agreement from those contained herein, Commission approval shall be required for such changes.

(5) The authority granted herein shall be for the initial period of two years, and any renewals or extensions shall require Commission approval.

(6) The Commission reserves the authority to examine the books and records of any affiliate in connection with the authority granted herein whether or not such affiliate is regulated by the Commission, pursuant to § 56-79 of the Code of Virginia.

(7) Applicant shall file a Report of Action on or before April 1 of each year, such report to show Centel's revenues and expenses related to the Agreement for the previous calendar year. Reports of Action shall be filed on or before April 1, 1997, 1998, and 1999.

(8) This matter shall be continued generally subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUA960022
JULY 23, 1996

APPLICATION OF
UNITED CITIES GAS COMPANY

For authority to enter into an agreement with Woodward Marketing, L.L.C. for service relating to Kansas operations

ORDER GRANTING AUTHORITY

United Cities Gas Company ("Company," "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act for authority to enter into an agreement with Woodward Marketing, L.L.C. ("Woodward") for service relating to Company's Kansas operations. Company states in its application that pursuant to the agreement with Woodward Marketing, L.L.C., Woodward will manage Company's storage and firm transportation contracts on the Williams Natural Gas Company System. The agreement is effective from November 1, 1995, through October 31, 1996. Company requests authority retroactive to November 1, 1995.

THE COMMISSION, upon consideration of the application and representation of Applicant and having been advised by its Staff, is of the opinion and finds that the requested authority to enter into the above-described agreement would be in the public interest and should be granted. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, United Cities Gas Company is hereby granted authority to enter into the agreement with Woodward Marketing, L.L.C. for service relating to Applicant's Kansas operations as described herein. Authority shall be effective from November 1, 1995, through October 31, 1996.

2) Any changes in the terms and conditions of the agreement from those contained herein shall require Commission approval.

3) Commission approval shall be required for Company to continue the agreement beyond October 31, 1996.

4) The authority granted herein shall have no ratemaking implications.

5) The authority granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

6) The Commission reserves the authority to examine the books and records of any affiliate in connection with the authority granted herein whether or not such affiliate is regulated by the Commission, pursuant to § 56-79 of the Code of Virginia.

7) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA960024
SEPTEMBER 25, 1996

APPLICATION OF
APPALACHIAN POWER COMPANY

For consent to and approval of a modification to an existing inter-company agreement with an affiliate

ORDER GRANTING APPROVAL

Appalachian Power Company ("Company," "Appalachian," "Applicant") filed an application with the Commission under the Public Utilities Affiliates Act for consent to and approval of a modification of an existing Inter-Company Power Agreement (the "Agreement") with Ohio Valley Electric Corporation ("OVEC") and other affiliated companies.

Company represents that OVEC is an Ohio corporation which was organized in 1952 primarily for the purpose of suppiying electric energy to the United States Atomic Energy Commission (the "AEC") at its Portsmouth, Ohio, gaseous diffusion plant (the "Facility"). The AEC was abolished on January 19, 1975, and certain of its functions, including the procurement of electric power for the Facility, were transferred to, and vested in, the Administrator of the United States Energy Research and Development Administration ("ERDA"). On October 1, 1977, all of the functions of ERDA were transferred to the Secretary of the United States Department of Energy ("DOE").

Appalachian further states that OVEC subsequently entered into an Inter-Company Power Agreement,(the "Agreement"), dated July 10, 1953, with certain public utilities (the "Sponsoring Companies"), including, among others, Appalachian, Indiana Michigan Power Company ("Indiana Michigan"), Columbus Southern Power Company ("Columbus Southern"), and Ohio Power Company ("Ohio"), affiliated companies. The Agreement governed, among other things, the obligations of the Sponsoring Companies to sell supplemental power to OVEC and the rights of the Sponsoring Companies to purchase surplus power from OVEC.

The Agreement has since been modified in 1966, 1967, 1975, 1979, 1981, and 1992, and 1994. By Order dated June 30, 1976, in Case No. A-497, the Commission approved the Agreement and Modification Nos. 1, 2, 3, and 4 and authorized Company to continue such contractual arrangements. By Order dated March 13, 1980, in that same case, the Commission approved Modification No. 5 and authorized Company to continue such arrangements. By Order dated September 29, 1981, in Case No. PUA810079, the Commission approved Modification No. 6 and again authorized

Company to continue the contractual arrangements. By Order dated October 14, 1992, in Case No. PUA920026, the Commission approved Modification No. 7 and authorized Company to continue such contractual arrangements. By Order dated November 21, 1994, in Case No. PUA940029, the Commission approved Modification No. 8 and again authorized Company to continue such arrangements.

The parties to the Agreement have entered into Modification No. 9, dated August 17, 1995, and the parties are seeking appropriate approval from the Federal Energy Regulatory Commission (the "FERC") and from all state regulatory agencies having jurisdiction in the matter. Therefore, Applicant requests Commission approval of Modification No. 9 and authority to continue the contractual arrangements.

As stated in the application, Modification No. 9 effects changes in the Agreement to enable OVEC to assist DOE during an emergency shortage of electricity. The Agreement, as it currently exists, does not contain any provisions regarding sales of emergency power for DOE. Modification No. 9 gives the Sponsoring Companies the discretion to release temporarily their rights to receive from OVEC power and energy to which they would otherwise have been entitled so that OVEC can make such power and energy available in response to a power supply emergency at the Paducah, Kentucky, uranium enrichment facility owned by DOE and operated by United States Enrichment Corporation ("USEC"). Modification No. 9 will also amend the Agreement to allow the Sponsoring Companies to recover a DOE Emergency Power Surcharge from OVEC.

In its application, Appalachian requests approval of Modification No. 9 retroactively as of August 17, 1995. On that date, at the request of DOE/USEC, the Sponsoring Companies, with OVEC's consent, released power in order to alleviate the power supply emergency at the Paducah enrichment facility. The emergency was due to extremely hot weather throughout the midwestern and eastern portions of the United States.

As a condition of releasing capacity, the Sponsoring Companies required OVEC to agree to pay their net costs of additional generation or power purchases. In addition, during the emergency, OVEC adjusted the surplus power reservations of the Sponsoring Companies in accordance with their agreements. After August's events, however, OVEC and the Sponsoring Companies realized that an amendment to the Agreement was required to bill for the power released during the emergency, and Modification No. 9 was the result.

As of the date of filing, three (2) of the corporate directors of Appalachian are also directors of OVEC, seven (7) are directors of Columbus Southern, six (6) are directors of Indiana Michigan, and seven (7) are directors of Ohio. Accordingly, OVEC, Indiana Michigan, Columbus Southern, and Ohio are affiliated interests of Appalachian within the meaning of § 56-76 of the Code of Virginia.

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 Modification No. 9 to the above-described Inter-Company Power Agreement and Company's continued participation in the contractual arrangements would be in the public interest and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Appalachian Power Company is hereby granted approval of Modification No. 9 of the Inter-Company Power Agreement as described herein and to continue the contractual arrangements as described herein.

2) Any further modifications to the Agreement shall require Commission approval.

3) The approval granted herein shall have no ratemaking implications.

4) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

5) The Commission reserves the right to examine the books and records of any affiliate in connection with the authority granted herein, whether or not such affiliate is regulated by this Commission, pursuant to § 56-79 of the Code of Virginia.

6) Applicant shall continue to file a report with the Director of Public Utility Accounting by March 1 of each year, showing power billings for the preceding calendar year pursuant to the approval granted herein.

7) Such power billings shall include the supplemental power sold to OVEC by Company and surplus power sold to Company, as well as charges to Company for emergency power separated as to emergency power surcharge and demand charge.

8) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA960027
JULY 2, 1996

APPLICATION OF
HIGH KNOB ASSOCIATES, L.C.

For authority to transfer utility assets to High Knob Owners' Association

ORDER GRANTING AUTHORITY

High Knob Associates, L.C. ("High Knob," "Company," "Applicant") has filed an application under the Utility Transfers Act for authority to transfer the water system at the High Knob Subdivision, Warren County, Virginia, to the High Knob Owners' Association (the "Association") at no cost. The transfer is required by certain contracts and orders for the Circuit Court of Warren County, Virginia, and the Virginia Supreme Court. As described in the application, the orders require High Knob to transfer ownership and operation of the water system and the watershed areas to the Association as soon as the Commission approves the transfer, but in no event later than July 1, 1996.

As stated in the application, customers of the water system include both full and part-time residents, and each house connection is monitored by a designated individual meter. The historical and current use of the water system is to provide water to the residents of the High Knob Subdivision, currently approximately 180 houses. The proposed use of the assets will be to provide water service to the High Knob Subdivision. There is no sales price involved since the transfer is ordered by the Virginia Supreme Court Record No. 940815. Company states that it is anticipated that the proposed transfer will have no impact on the rates and service, capital structure, access to capital and financial markets, or on the Commonwealth of Virginia. The water system is to be totally owned and operated under the control of the Assoication for the members of the Association and residents of the subdivision only.

THE COMMISSION, upon consideration of the application and representation of Applicant and having been advised by its Staff, is of the opinion that the above-described transfer of utility assets will neither impair nor jeopardize adequate service to the public at just and reasonable rates and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-89 and 56-90 of the Code of Virginia, High Knob Associates, L.C. is hereby authorized to transfer the water system and watershed areas at the High Knob Subdivision, Warren County, Virginia, to the High Knob Owners' Association at no cost as required by certain contracts and orders of the Circuit Court of Warren County, Virginia, and the Virginia Supreme Court as described herein.

2) The authorized transfer shall have no ratemaking implications.

3) Applicant shall file a report of the action taken pursuant to the authority granted herein, such report to include the date of transfer and the accounting entries made to Applicant's books to reflect the transfer.

4) This matter shall be continued generally subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUA960035
JULY 18, 1996

APPLICATION OF
SHENANDOAH TELEPHONE COMPANY

For approval to modify a previously approved affiliates agreement

ORDER GRANTING APPROVAL

Shenandoah Telephone Company ("Shenandoah," "Company," "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act for approval to add its new affiliate, Shenandoah Financing Company ("ShenFin" or "Affiliate") to its existing Affiliates Agreement (the "Agreement").

Shenandoah Telephone Company and its affiliates, Shenandoah Telecommunications Company ("Shencom"), Shenandoah Cable Television Company ("Cableco"), ShenTel Service Company ("ShenTel"), Shenandoah Valley Leasing Company ("Leasing"), and Shenandoah Mobile Company ("Mobile") received Commission approval on June 20, 1986, in Case No. PUA840067, for authority to allocate expenses and return on asset allocations among affiliates. Since the 1986 Order, Shenandoah has received approval to include other affiliates, Shenandoah Long Distance Company ("ShenLong"), Shenandoah Network Company ("Network"), Virginia 10 RSA Limited Partnership ("VA10"), Virginia 10 RSA Resale Limited Partnership, d/b/a Shenandoah Cellular Company ("ShenCell"), and ShenTel Foundation ("Foundation"), as part of the allocation procedures. In Case No. PUA950045, Shenandoah received approval to include Shenandoah Personal Communications Company ("ShenPc") as part of the allocation procedures.

In its current application, Company proposes to include its new affiliate, Shenandoah Financing Company ("ShenFin"), as part of its allocation procedures. As stated in the application, ShenFin is a stock corporation established to arrange for the funding of major telecommunications investments by Shenandoah's affiliates. ShenFin contemplates entering into a loan agreement with the National Bank for Cooperatives ("CoBank"). CoBank is one of the banks of the Farm Credit system, a nationwide system of cooperatively owned banks and associations established by Acts of the United States Congress.

Company states that no other allocation methods will change, and ShenFin will simply be incorporated into the allocation procedures. ShenPC will pay tariffed charges to Shenandoah for any services Company provides under tariff, in addition to the allocation of general overhead expenses.

As previously indicated, ShenFin contemplates entering into a loan agreement with CoBank. ShenFin evaluated proposals from six different sources, including commercial, cooperative, and investment banks, with CoBank offering the most attractive combination of rate, term, and other factors. CoBank, as part of a nationwide system of cooperatively owned banks and associations established by Acts of the United States Congress, may enter into loan agreements of this nature only with a certificated public service company or its subsidiary. The loan agreement will pledge the stock of Shenandoah, presently owned entirely by ShenCom, as security.[1)] No assets of Shenandoah will be pledged.

ShenFin expects to obtain some management and employee services from Shenandoah. Shenandoah will provide services as listed in the application to Shencom, Cableco, ShenTel, Leasing, ShenLong, Mobile, VA10, ShenNet, ShenCell, Foundation, ShenPc, and ShenFin. The Agreement provides for the supply of such services and the compensation of Shenandoah, ShenTel, and Mobile therefore. With the exception of parking and office space to be provided by ShenTel to Shenandoah and building space provided by Mobile to Shenandoah, which are being provided at market rates, all

[1)] Of course, any transfer of control of Shenandoah to CoBank would require our approval under § 56-88.1. Although pledging the stock would not trigger the requirement, a transfer of 25% or more of the stock to CoBank, by foreclosure or otherwise, would require approval.

services will be provided at full cost to Company. A study will be made promptly after the end of each calendar month to determine the full cost incurred by Shenandoah in rendering such services to the affiliates, and the affiliates will reimburse Shenandoah for the full cost of the services rendered in any month no later than the fifteenth day of the succeeding month.

THE COMMISSION, upon consideration of the application and representation of Applicant and having been advised by its Staff, is of the opinion and finds that the above-described amendment to Company's existing Affiliates Agreement would be in the public interest and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Shenandoah is hereby granted approval to amend its existing Affiliates Agreement to include Shenandoah Financing Company as described herein.

2) The approval granted herein shall have no ratemaking implications.

3) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

4) Any future changes in the Affiliates Agreement shall require Commission approval.

5) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not such affiliate is regulated by the Commission, pursuant to § 56-79 of the Code of Virginia.

6) Applicant shall file an Annual Report of Affiliate Transactions by April 1 of each year for the preceding calendar year, the first report to be filed by no later than April 1, 1997, with the Director of Public Utility Accounting of the Commission. The Annual Report of Affiliate Transactions shall contain a summary of affiliate charges to and by Applicant and a description of services provided by Applicant and services provided to Applicant.

7) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA960036
JUNE 14, 1996

APPLICATION OF
OLD DOMINION ELECTRIC COOPERATIVE

For authority to dispose of and to acquire utility assets and motion for expedited consideration

ORDER GRANTING AUTHORITY

On May 20, 1996, Old Dominion Electric Cooperative ("ODEC," "Old Dominion," "Company," "Applicant") filed an application with the Commission under the Utility Transfers Act for authority to enter into a lease/leaseback arrangement involving Company's Clover Unit Two and certain common facilities.

Old Dominion represents in its application that it owns facilities within the Commonwealth of Virginia for the generation of electric energy for sale, including a fifty percent undivided ownership interest in two 393 MW coal-fired generating units at the Clover Power Station ("Clover") in Halifax County, Virginia. ODEC states in its application that Clover Unit One achieved commercial operation on October 7, 1995, and Clover Unit Two achieved commercial operation on March 28, 1996. ODEC operates on a not-for-profit basis and is exempt from federal income taxes under Section 501(c)12 of the Internal Revenue Code. Therefore, ODEC cannot directly avail itself of some of the tax benefits associated with owning depreciable property.

ODEC states that to realize a portion of the value of these tax benefits, Company proposes a transaction whereby it will enter into a long-term lease of its ownership in its fifty percent undivided interest (the "Undivided Interest") in Clover Unit Two and certain common facilities (the "Facility") to a passive investor (the "Investor"), while retaining operational control over the Undivided Interest by simultaneously entering into a leaseback of the Undivided Interest. ODEC has previously entered into a similar transaction with respect to Clover Unit One and certain common facilities. This transaction was approved by the Commission by Order dated December 5, 1995, in Case No. PUA950049.

Like the previous transaction, the proposed transaction will be structured as a lease and leaseback. Pursuant to this structure, title to the Facility does not pass during the term of the operating leases, but the Investor will nonetheless be entitled to the benefits of recognizing the tax depreciation with respect to the Undivided Interest. ODEC will realize a portion of the value of the tax benefits recognized by the Investor through leaseback pricing terms.

As described in the application, during the term of the operating leases, ODEC will retain both record title ownership of the Undivided Interest and actual control over the Undivided Interest. At the end of the term of the operating leases, ODEC has the option to purchase the Investor's interest in the remaining term of the lease of the Undivided Interest. Company states that the proposed transaction is in the public interest, and depending on the appraised value of the Undivided Interest, ODEC will realize a cash benefit of between $45 million and $55 million. ODEC represents that this will reduce ODEC's members' revenue requirements. Company further represents that adequate service to the public at just and reasonable rates will not be impaired or jeopardized by granting the prayer of the petition. Company requests expedited consideration in this case to maximize the economic benefits of the proposed transaction.

As stated by Company in its application, Clover is a two-unit, coal-fired, steam electric generating facility. ODEC and Virginia Electric and Power Company ("Virginia Power") each owns a fifty percent undivided interest in Clover. The basic structure of the proposed lease and leaseback

transaction involves the lease of the Undivided Interest for a term exceeding 110% of the estimated useful tax life of the Facility (the "Head Lease") and a simultaneous leaseback of the Undivided Interest by ODEC for a shorter period than the Head Lease (the "Operating Lease").

Under the Head Lease, the Investor will obtain through the Trust, subject to the Clover ownership and operating agreements between ODEC and Virginia Power (the "Clover Agreements"), a beneficial interest in a leasehold interest in the Undivided Interest constituting ownership for federal income tax purposes. To satisfy requisite federal income tax requirements, the Head Lease will have a term exceeding 110% of the estimated useful tax life of the Facility. In the event the useful tax life is extended, the Head Lease will contain evergreen renewal rights for renewal terms equal to at least 110% of the then estimated useful life of the Facility. Rent under the Head Lease will be prepaid at closing. The parties will agree that for all federal, state, and local income tax purposes, the Head Lease will be treated as a sale of the Undivided Interest by ODEC to the Investor, and the prepaid rent will be regarded as sales proceeds.

Upon closing, ODEC will assign to the Investor for the term of the Head Lease all of its rights with respect to the Undivided Interest under the Clover Agreements. The Owner-Trustee simultaneously will reassign to ODEC all such right, title, and interest in the Clover Agreements for the Operating Lease term. Old Dominion will agree to act as sub-operating agent for the Trust in the post-Operating Lease period if ODEC does not exercise its option to purchase.

During the Operating Lease term, legal title to the Undivided Interest (other than assets subject to the Dutch Lease) will be vested in ODEC. If Old Dominion fails to exercise its purchase option at the end of the Operating Lease term, the Investor has the right to require Old Dominion to convey its legal title in the Undivided Interest to the Trust. During the Operating Lease term, the interest of the Trust in the Undivided Interest will be subject to the Lien of the Old Dominion Indenture on the Undivided Interest. If ODEC does not exercise its purchase option, the Lien of the Old Dominion Indenture will be removed. The interest of the Trustee under the Head Lease will at all times be subject to the nonexclusive possessory interests of those parties that participated in the Unit One transaction and the Clover Agreements.

Company states that rent payable to ODEC under the Head Lease will be based on an appraisal of the fair market value of the Undivided Interest as of the closing date (the "Facility Cost"). Company estimates that the Facility Cost will be between $320 million and $350 million. On the closing date, all rent due under the Head Lease will be prepaid to ODEC in an amount equal to the Facility Cost. The funds for the payment of the Facility Cost will come from three sources. The investor will contribute through the Trust at least ten percent of the Facility Cost with ninety percent or less to be borrowed on a non-recourse basis by the Trust (the "Loans") from a third party lender. Two classes of borrowing will comprise the Loans. The Series A Loan will provide up to ninety percent of the Loans. The remaining ten percent of the Loans will be provided by the Series B loan. The Loans will be secured under a loan agreement and leasehold mortgage granting the lenders a security interest in the Trust's interest in the Head Lease, the Clover Agreements, and the Operating Lease and all payments of rent thereunder excluding certain excepted rights and excepted payments.

Company states that, to satisfy requirements contained in the Clover Agreements and to accommodate concerns raised by Virginia Power, the operative documents will contain certain rights in favor of Virginia Power.

1) Virginia Power shall have a right of first refusal with respect to sale or transfer during the term of the Head Lease or after the Operating Lease term as described in the application.

2) If ODEC does not elect its purchase option, Virginia Power will have sixty days to elect to exercise such option.

3) During the Operating Lease term, the Investor will not transfer its interest in the Trust to a direct competitor of Virginia Power or an affiliate thereof.

As stated by ODEC, under the Operating Lease, the Trust will sublease the Undivided Interest to Company for a term beginning on the closing date and extending for a term not to exceed thirty years. ODEC will pay to the Trust periodic installments of rent (the "Basic Rent") during the Operating Lease term. The Basic Rent will be sufficient to service principal and interest payments with respect to the Loans. The Operating Lease will be a net lease, and ODEC's obligations to pay rent will be absolute and unconditional.

During the term of the Operating Lease, ODEC may acquire the Trust's leasehold interest in the Head Lease and terminate the Operating Lease by paying on any periodic termination date the higher of the fair market value or a predetermined amount sufficient to pay off the Loans and maintain the Investor's net economic return (the "Termination Value"). This may happen if the Operating Lease becomes illegal or if certain events occur which obligate ODEC to pay or indemnify the Investor under the operative documents of the transaction. ODEC will pay all rent, all costs and expenses, and all sales, value-added, and similar taxes under the buyout provision as described. The Operating Lease also provides for termination for obsolescence and events of loss and events of default.

As indicated in the application, at the end of the Operating Lease term, ODEC may acquire the Trust's leasehold interest in the Undivided Interest under the remaining term of the Head Lease (the "Purchase Option") for a predetermined amount equal to the appraiser's estimate of the fair market value of the Undivided Interest at the end of the Operating Lease (the "Purchase Option Price"). If Company does not exercise the Purchase Option (and if Virginia Power fails to exercise one of its rights previously mentioned), the Trust may elect to retain its interest in the Head Lease and the Clover Agreement. If the Trust does not exercise such preemption, ODEC will be obligated to arrange one or more wholesale power agreements with entities which agreements constitute service contracts within the meaning of Section 7701(e) of the Internal Revenue Code. The agreement or agreements must be reasonably designed to allow the Trust to repay the loans that refinanced the loans and to preserve the Investor's net economic return (the "Service Contract Option"). Alternatively, ODEC must pay the Trust a predetermined liquidated damage amount (the "Walk Away Payment") after which the Trust will retain possession and control of the Undivided Interest under the Head Lease.

At the end of the Operating Lease term, in any circumstances in which possession and control of the Undivided Interest is surrendered to the Trust, Old Dominion will be required to relinquish possession of the Undivided Interest free and clear of the Lien of the Old Dominion Indenture and liens other than certain liens which ODEC is not required to discharge under the Operating Lease. In addition to other return conditions, the Undivided Interest will be in at least the condition it would have been had it been maintained and repaired in compliance with the Operating Lease.

As stated by Company, ODEC will use a portion of the prepayment of rent under the Head Lease to establish a deposit with a financial institution having a credit rating of not less than AA by Standard and Poor's and Aa2 by Moody's Investor's Service in an amount equal to the principal

amount of the Series A Loan on the closing date. The financial institution will agree to pay to the Trust payments equal in timing and amount to that portion of the Basic Rent and the Purchase Option Price corresponding to the repayment of obligations under the Series A Loan. ODEC will pledge the deposit to the Trust to secure its obligations under the Operating Lease, and the Trust will pledge the deposit payment to the Series A Loan lender to secure repayment of the Series A Loan.

ODEC also will place a deposit (the "Debt Deposit") with a financial institution having a credit rating as previously mentioned the payments under which are sufficient to pay that portion of the Basic Rent and the Purchase Option Price corresponding to the repayment obligations in respect of the Series B Loan. Old Dominion will pledge the deposit to the Owner-Trustee to secure its obligations. ODEC also will also place a deposit (the "Equity Security Deposit") or will purchase bonds or other obligations of a financial institution with the above-stated credit rating the payments under which are sufficient to pay the equity portion of the Basic Rent and the Purchase Option Price. To secure the difference from time to time under the Debt Deposit and the proceeds of the Equity Security Deposit, Company will provide additional equity collateral in the form of an additional deposit with a financial institution as described above, a letter of credit in favor of the Investor or Trust or a surety bond by an issuer with claims paying ability of either AAA by Standard and Poor's or Aaa by Moody's Investor's Service, a pledge of bonds or other obligations issued by a financial institution as described herein, or a combination of the above.

Under the Operating Lease, ODEC will make payments to the Investor, the Trust, the Owner-Trustee, and any third party lenders and their respective affiliates (the "Indemnitee"), sufficient to indemnify, on an after-tax basis, the Indemnitee and its affiliates for any loss, damage, cost, claim, or expense which may be imposed on or asserted against such Indemnitee arising from certain occurrences as enumerated in the application.

ODEC represents that the proposed transaction will not have any significant effect on the adequacy of service to the public because the leaseback (together with the repurchase option) will ensure that ODEC will retain all of its rights in, responsibilities for, and benefits from the Facility. Moreover, ODEC expects to realize a net cash gain of between $45 million and $55 million. ODEC indicates that the gain will be used to enhance its equity and reduce its revenue requirements. In the long-term, an enhanced equity position should bolster Company's financial stability and credit ratings. In addition , this increased income will be amortized into rates over a period of time to reduce ODEC's revenue requirements and cost to its member cooperatives. Company, therefore, maintains that the proposed transaction will have a beneficial effect on just and reasonable rates. Company further contends that adequate service to the public will have additional protection because ODEC will preserve Virginia Power's contractual right of first refusal in documents relative to the transaction.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion and finds that the above-described transfer of utility assets would not impair or jeopardize the provision of adequate service to the public at just and reasonable rates and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-89 and 56-90 of the Code of Virginia, Old Dominion Electric Cooperative is hereby granted authority to transfer the utility assets in the form of the lease and leaseback arrangement as described herein.

2) On or before September 30, 1996, Applicant shall file a Report of Action regarding the action taken pursuant to the authority granted herein, such Report to include the accounting entries reflecting the transaction, an executed copy of the Head Lease, an executed copy of the Operating Lease, and other significant details of the transaction to include the total value of the assets involved and the net benefit to Applicant from the arrangement.

3) This matter shall be continued generally subject to the continuing review and appropriate directive of this Commission.

CASE NO. PUA960038
DECEMBER 9, 1996

APPLICATION OF
C&P SUFFOLK WATER COMPANY

For approval of the disposal of water supply facility

ORDER GRANTING APPROVAL

C&P Suffolk Water Company ("C&P Suffolk," "Company," "Applicant") has filed an application with the Commission under the Utility Transfers Act requesting approval of the disposal of a portion of the water supply facility serving the subdivision known as Holland. Company represents that the water system known as Holland was acquired by C&P Suffolk by deed dated April 11, 1993 and has been operated by the Company since approximately the same time. At no time during Company's operation of the Holland System has the property in question been used by the Company for purposes of supplying water, and there are no future plans of ever making use of this property.

In its application, C&P Suffolk states that the property is being given to Thomas R. Jones and Carolyn H. Jones who own the adjoining property. Due to the size of the lot being conveyed and the fact that it is land locked, the Company believes that the terms of this transaction are appropriate.

Company also states that the proposed disposition of the property will not affect its ability to continue to provide adequate service to the public at just and reasonable rates and the service which the public receives at this time will not be impaired or jeopardized by the proposed transfer.

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 disposal of water supply facility will not impair or jeopardize the provision of adequate service to the public at just and reasonable rates and such disposal should be approved. Accordingly,

IT IS ORDERED THAT:

1) C&P Suffolk is hereby granted approval, pursuant to §§ 56-89 and 56-90 of the Code of Virginia, for the disposal of the water supply facility under the terms and conditions as described herein.

2) The approval granted herein shall have no ratemaking implications.

3) On or before January 31, 1997, Applicant shall file a report of the action taken pursuant to the approval granted herein, such report to include the date of transfer and the accounting entries to reflect the transfer on Company's books.

4) This matter shall be continued generally subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUA960039
SEPTEMBER 23, 1996

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.
and
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For approval of affiliate agreement for busines office services

ORDER GRANTING APPROVAL

On June 4, 1996, United Telephone-Southeast, Inc. ("United") and Central Telephone Company of Virginia ("Centel-VA"), (collectively referred to as "Applicants") filed an application with the Commission under the Public Utilities Affiliates Act requesting approval of a contract (the "Contract") between United and Centel-VA. Pursuant to the Contract, United will obtain business office services from Centel-VA.

Currently, United performs its own business office functions for its Tennessee and Virginia operations from a centralized office located in Johnson City, Tennessee. Centel-VA performs its own business office functions for its Virginia operations at offices located in South Boston and Charlottesville, Virginia. United proposes to separate its Tennessee and Virginia business offices operations and to transfer the Virginia portion to Central Telephone Company of Virginia ("Centel-VA"). Centel-VA will provide sufficient staffing to perform the business office functions of United's Virginia operations as well as continue to perform its own business office functions in Virginia.

Company requests approval effective as of July 1, 1996. The Contract is for an initial one-year term with automatic annual renewals thereafter. Termination may occur on ninety days' written notice by either party.

Company states that since Centel-VA already provides substantially identical services for its own operations, there is no additional exposure to a greater business risk to United. Company indicates that United may be able to provide better service to its customers since the business office personnel will address only Virginia activities rather than being required to respond to questions covering two different states. The rates charged to Centel-VA will be based on access lines. Total monthly charges for Centel-VA's Charlottesville and South Boston business offices will be aggregated based on the company's responsibility reporting system. This will identify the business offices' labor, benefits, rents, supervision overhead costs, and other expenses. These costs will be multiplied by the ratio of the number of access lines in United's Virginia service area to the combined total number of access lines in United's service areas and the number of access lines served by Centel-VA.

THE COMMISSION, upon consideration of the application and representations of Applicants and having been advised by its Staff, is of the opinion and finds that approval of the Contract between United and Centel-VA for the provision of business office services as described herein would be in the public interest. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to § 56-77 of the Code of Virginia, United Telephone-Southeast, Inc. and Central Telephone Company of Virginia are hereby granted approval of the contract for the provision of business office services as described herein, such approval to be effective as of July 1, 1996.

(2) The approval granted herein shall not have any ratemaking implications.

(3) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

(4) Should there be any changes in the terms and conditions of the Contract from those contained herein, Commission approval shall be required for such changes.

(5) The Commission reserves the authority to examine the books and records of Applicants in connection with the approval granted.

(6) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA960040
DECEMBER 19, 1996

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For approval of incidental gas sales and purchase transactions with Hope Gas, Inc. and CNG Energy Services Corporation, affiliates

ORDER GRANTING APPROVAL

Virginia Natural Gas, Inc. ("VNG," "Company" "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act requesting approval of incidental gas sales and purchase transactions with Hope Gas, Inc. ("Hope Gas") and CNG Energy Services Corporation ("CNG Energy Services"), affiliates. As stated in the application, VNG, CNG Energy Services, and Hope Gas are wholly-owned subsidiaries of Consolidated Natural Gas Company. In its application, VNG requests approval for specific transactions between itself and CNG Energy Services and Hope Gas which took place during February, March, and April 1996, by which VNG made incidental sales of natural gas to CNG Energy Services and a purchase of natural gas from Hope Gas.

As stated in the application, by letter agreement dated February 29, 1996, VNG acknowledged its sale, subject to Commission approval, to CNG Energy Services of 20,000 Dth of natural gas at two separate delivery points on February 5, 1996, at a contract price of $8.00 per Dth. By letter agreement dated April 11, 1996, VNG acknowledged its sale, subject to Commission approval, to CNG Energy Services of a total of 40,933 Dth of natural gas at two separate delivery points on each of four days in March 1996, at a contract price of $7.50 per Dth. Also stated in the application, VNG, by letter agreement dated May 16, 1996, acknowledged its sale, subject to Commission approval, to CNG Energy Services by like kind exchange of up to 15,000 Dth per day during the month of April, 1996, at a delivery point on the interstate pipeline system of Columbia Gas Transmission Corporation at Loudoun, Virginia, with VNG charging $.03 per Dth for all volumes delivered to CNG Energy Services. The purchase by VNG of gas from Hope Gas was an incidental (spot) purchase of gas for VNG distribution supply and was at or below spot market rates at the time.

VNG states in its application that the sales by VNG to CNG Energy Services were of natural gas previously contracted for and/or purchased by VNG for distribution system supply and were incidental to VNG's primary role as a gas distribution company. As stated by Company, the sales were made possible by a surplus at the indicated times of supply and capacity previously acquired by VNG to enable it to fulfill its firm service system supply obligations. VNG's ability to sell gas resulted principally from its gas supply planning activities during, and in response to, its heating season experience in its service territory, as well as the heating season experience of CNG Energy Services in its market territories. Company represents that none of the contracts under which VNG acquired the gas sold and capacity used to make the off-system sales was entered into by VNG for the purpose of making off-system sales. Company further represents that the price at which the gas was sold in each case was determined in reference to and, in fact, exceeded the highest incremental cost of gas purchased by VNG during the relevant time period. Therefore, no loss of revenue was associated with the sales compared to the gas acquisition price.

Company further represents that the sales, and similar sales to non-affiliated entities, were incidental to VNG's primary role as a gas distribution company and resulted from a coincidence of events and timing that may or may not occur in the future.

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 gas sales and purchase transactions were in the public interest and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Virginia Natural Gas, Inc. is hereby granted approval of the incidental gas sales and purchase transactions with CNG Energy Services and Hope Gas as described herein.

2) The approval granted herein shall have no ratemaking implications.

3) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

4) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not such affiliate is regulated by the Commission.

5) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA960041
JULY 15, 1996

PETITION OF
COMMONWEALTH GAS SERVICES, INC.

For declaratory order and alternate request for approval arrangement

DISMISSAL ORDER

By Petition filed on June 19, 1996, Commonwealth Gas Services, Inc. ("Commonwealth" or "Petitioner") requested that the Commission enter a declaratory order finding that the arrangement described herein does not fall within its jurisdiction pursuant to Chapter 4 of Title 56 or, in the alternative, approve such arrangement pursuant to its authority under § 56-77.

In its petition, Commonwealth stated that the arrangement involves the organization of an affiliated insurance company ("the Captive Insurer"). This insurance company will be a Bermuda insurance corporation that is organized as a wholly-owned subsidiary of Columbia Gas Systems, Inc., Commonwealth's parent. It will not be an admitted commercial insurer in the Commonwealth of Virginia or in any other state in the United States. The Captive Insurer will market reinsurance to admitted commercial insurers to provide automobile, general liability, and "all-risk" property insurance directly to the commercial insurers which, in turn, will market primary insurance to Commonwealth and other subsidiaries in the Columbia system. In its Petition, Commonwealth stated that in no event will the Captive Insurer contract with Commonwealth or have any direct transactions or arrangements with Commonwealth.

In a Response filed on July 1, 1996, the Commission's Staff noted that the Petition states there will be no contract between Commonwealth and its affiliate, the Captive Insurer. Staff also noted that there appears to be no arrangement since a commercial insurer will remain liable to Commonwealth for all insurance coverage. Staff therefore requested the Commission to enter an order reflecting its conclusion that Chapter 4 approval was not required and dismissing the matter from its docket of active cases.

NOW THE COMMISSION, having considered Commonwealth's Petition, Staff's Response, and applicable law, is of the opinion that the above described arrangement does not require our approval since it is not an affiliate arrangement or contract pursuant to § 56-77. We will therefore dismiss this matter from our docket of active cases. Accordingly,

IT IS ORDERED THAT this matter be, and hereby is DISMISSED, and the papers placed in the file for ended causes.

CASE NO. PUA960045
SEPTEMBER 16, 1996

JOINT PETITION OF
CONTINENTAL CABLEVISION, INC.
and
U.S. WEST, INC.

For approval under the Utility Transfers Act of the transfer control of AlterNet of Virginia

ORDER GRANTING AUTHORITY

On July 17, 1996, Continental Cablevision, Inc. ("Continental") and U.S. West, Inc. ("U.S. West") filed a joint petition seeking approval of the change of control of AlterNet of Virginia under the provisions of the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia. The petition states that on February 27, 1996, U.S. West and Continental entered into an Agreement and Plan of Merger whereby Continental will merge into a subsidiary of U.S. West with the U.S. West subsidiary continuing after the merger as the surviving corporation. AlterNet is a partnership, sixty-three percent (63%) owned by Continental Telecommunications Corporation of Virginia ("Continental Virginia") and thirty-seven percent (37%) owned by Hyperion Telecommunications of Virginia, Inc. ("Hyperion"). In turn, Continental of Virginia is wholly owned by Continental Telecommunications Corporation which in turn is wholly owned by Continental. U.S. West and Continental contemplate that Continental will be operated as a unit of U.S. West Media Group ("U.S. West - MG") after the merger. As result of the merger, U.S. West will hold all of the stock of Continental and will consequentially own the majority interest in AlterNet. Upon completion of the transaction as planned, control of AlterNet will be transferred to U.S. West.

The petition states that the merger will enhance AlterNet's ability to compete in Virginia's competitive telecommunications market by strengthening its financial resources. This will allow AlterNet to pursue its marketing and business plans more effectively. The petition states that such enhanced competition will serve the public interest and benefit Virginia telecommunications customers.

The petition also states that the merger will not impair or jeopardize the ability of AlterNet to provide adequate service to the public at just and reasonable rates. AlterNet will not change its rates as a result of the merger and because AlterNet operates in a market with other certificated interexchange providers, its rates must be priced to meet competition. The petition also states that the merger will not be a detriment to AlterNet's ability to provide adequate and reliable services, that it will not result in reducing AlterNet's operations, and that it will not result in a retraction of AlterNet's facilities used to provide service.

Having considered the application, the Commission finds that adequate service to the public at just and reasonable rates will not be impaired or jeopardized by granting the petition. Accordingly,

IT IS THEREFORE ORDERED THAT:

1. The disposition and acquisition of AlterNet of Virginia, as described herein, is approved.

2. That U.S. West and Continental are authorized to enter into the proposed agreement for transfer of control of AlterNet to U.S. West pursuant to Chapter 5 Title 56 of the Code of Virginia and to do all acts necessary and incidental thereto in accordance with the petition filed herein.

3. That U.S. West and AlterNet shall respond promptly to any Staff request for information in connection with this matter and to the quarterly monitoring reports required by the Commission's Rules Governing the Certification of Interexchange Carriers.

4. That a report of action pursuant to the authority granted herein shall be filed no later December 31, 1996.

5. That there being nothing further to come before the Commission, this docket is closed and papers filed herein shall be placed in the file for ended causes.

CASE NO. PUA960048
SEPTEMBER 16, 1996

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

For authority to purchase installation and maintenance services from NSI and to lease building space to NSI

ORDER GRANTING AUTHORITY

On July 19, 1996, Bell Atlantic-Virginia, Inc. ("BA-VA") filed an application requesting authority to purchase certain outside plant installation and maintenance services ("I&M") from Bell Atlantic Network Services, Inc.("NSI"). Bell Atlantic Communications and Construction Services, Inc. ("BACCSI") will provide these services to NSI and, in turn, BA-VA. BA-VA also request authority to lease to NSI, a maintenance dispatch center that BACCSI is using to provide its I&M services. BA-VA states that the Bell Atlantic telephone companies, faced with increasing local exchange competition and prices based on competition, not on their cost, had to find a way to decrease an I&M cost structure that was out of line with the cost structure of their competition. The answer, developed through negotiations with the Communications Workers of America "(CWA") and International Brotherhood of Electrical Workers which represent the I&M forces, was to create within BACCSI a lower wage structure and other terms and conditions of employment different than those in the Bell Atlantic telephone companies. BACCSI plans to hire approximately 200 I&M technicians in Virginia by the end of 1996. This hiring will commence as soon as possible and will proceed as rapidly as new employees can be trained and deployed in the field. The size of the work force in 1997 and subsequent years will depend on the demand for its I&M services from BA-VA and any other customer(s) in Virginia. BACCSI's personnel will follow the same I&M work practices in performing this work as are followed by BA-VA's personnel.

Bell Atlantic states that due to the lower BACCSI salary and benefits and the more productive hours spent per year by BACCSI personnel, BACCSI's hourly cost to perform I&M work is 49% less than BA-VA's.

BACCSI will bill NSI on a monthly basis for the fully distributed costs it incurs in providing I&M services. BACCSI will directly assign or allocate expenses, as appropriate, consistent with the same cost allocation methodology as followed by NSI in assigning and allocating costs under the NSI/Operating Telephone Company agreement approved by the Commission by order dated December 22,1983 in PUA830083. BACCSI and NSI will true-up the hourly estimated rate on a quarterly basis. At such time as BACCSI establishes a market rate for its I&M services pursuant to FCC's Part 64 rules, then BACCSI will bill NSI for I&M services at these market rates.

NSI is also leasing an otherwise surplus maintenance dispatch center located at 10421 Lee Highway in Fairfax from BA-VA. This center is currently being used by BACCSI in providing its I&M services in Washington, D.C. and suburban Maryland as well as to dispatch some contractors used by BA-VA in Northern Virginia. The center will also be used by BACCSI to dispatch its I&M forces in Northern Virginia. This maintenance dispatch center is not needed by BA-VA due to a recent consolidation of BA-VA's I&M forces. The estimated annual lease payments to BA-VA from NSI total $331,108. The Bell Atlantic Real Estate staff used the Experience Exchange Report published by the Building Owners and Managers Association to determine fair market rates for leased space in the Washington, D.C./ Northern Virginia area. The average market rate for suburban office space in this area is $18.70 per square foot. The calculated fully distributed cost rate charged NSI for the Lee Highway building is $28.66 per square foot.

BA-VA states it has seen a greater than anticipated increase in customer demand for new installations and repair service. New installations are up the first six months of this year over the corresponding period last year by 4.2% and service dispatches in response to trouble reports are up by 25.2%. BA-VA states the growth in new installations is driven primarily by strong customer demand for additional lines for modems, faxes, and second and third residential lines. Repair services dispatches are driven by harsher than average weather conditions and overall growth in access lines. BA-VA states it needs additional I&M forces to meet these demands.

§ 56-77 of the Code of Virginia (Affiliates Act) requires that all agreements with affiliates be approved by the Commission as in the public interest.

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 transaction would be in the public interest and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Bell Atlantic - Virginia is hereby granted authority to enter into an Installation and Maintenance Services Agreement with Bell Atlantic Communications And Construction Services, Inc. through Bell Atlantic Network Services, Inc. and to lease property to Network Services, Inc.;

2) Future market rates of BACCSI shall be considered approved only if they are less than current charges;

3) That should any terms and conditions of the Agreement change from those described herein, Commission approval shall be required for such changes;

4) The authority granted herein shall have no ratemaking implications;

5) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

6) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein, whether or not such affiliate is regulated by the Commission, pursuant to § 56-79 of the Code of Virginia; and

7) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA960049
SEPTEMBER 30, 1996

APPLICATION OF
DELMARVA POWER AND LIGHT COMPANY

For approval of transactions under Chapter 4 of Title 56

INTERIM ORDER

On July 22, 1996, Delmarva Power and Light Company ("Delmarva" or "the Company") and Delmarva Capital Investments, Inc. ("DCI") filed an application pursuant to Chapter 4 of Title 56 of the Code of Virginia. Delmarva and DCI, on behalf of a newly created subsidiary, Service Confidence, Inc. ("Newco"), which is a wholly-owned subsidiary of DCI and an indirect subsidiary of Delmarva, requested authority for Delmarva and Newco to engage in certain transactions. These transactions involved marketing, telephone personnel and information technology systems, oversight, and other services.

In a motion filed that same day, Delmarva and DCI (collectively "the Companies") requested the Commission to enter a protective order requiring that certain information be kept confidential by the Commission Staff and any parties to whom it is given, until October 1, 1996, or until the issuance of the Commission's order granting affiliate approval. The Companies stated that a protective order was necessary because of the competitive nature of the business that is the subject of this application.

On July 30, 1996, the Commission entered the requested Protective Order. On August 2, 1996, Delmarva and DCI filed their supplemental application and transaction summary under the Protective Order. In the supplemental application, the Companies state that DCI has formed Newco to acquire the assets or stock of several existing heating, ventilation, and air conditioning ("HVAC") businesses. Following the acquisitions, the HVAC businesses are to be combined with Newco, but continue to operate initially with minimal changes in their current activities. Newco will offer HVAC sales, installation and repair services and other related products and services to Delmarva's gas and electric service customers in Delaware and Maryland and to persons that are not Delmarva gas and/or electric service customers in Delaware, Maryland, Pennsylvania, and New Jersey. None of the HVAC businesses to be acquired currently engages in any business anywhere within the Commonwealth of Virginia. The Companies further state that there are no current plans for Newco to provide products or services anywhere within the Commonwealth.

The Commission, upon consideration of this matter, is of the opinion and finds that the Protective Order granted herein on July 30, 1996, should be vacated and that interim approval of the proposed affiliate transactions should be granted. This interim approval is not to be construed as final approval of affiliates transactions or as approval of any expenses of the affiliates transactions for ratemaking purposes. Nor do we approve here any aspect of the proposed acquisition or business activities related thereto. Our interim approval of the affiliates transactions shall be limited in duration to a reasonable period during which the proposed affiliates transactions may be thoroughly reviewed by all interested persons as well as Commission Staff prior to Commission action. Accordingly,

IT IS ORDERED THAT:

(1) The Protective Order granted herein on July 30, 1996, is hereby vacated.

(2) All documents filed under the July 30, 1996, Protective Order be placed in the Commission's public files.

(3) The proposed affiliates transactions between Delmarva, DCI, and Newco as set forth in the Companies' application, are approved pursuant to § 56-77 of the Code of Virginia on an interim basis.

(4) Interim authority shall be granted through February 28, 1997, unless extended by further order of the Commission.

(5) Should any terms and conditions of the proposed affiliates transactions change from those contained in the Companies' application herein, Commission approval shall be required for such changes.

(6) The authority granted herein shall have no ratemaking implications.

(7) The authority granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

(8) This matter is continued pending further order of the Commission.

CASE NO. PUA960050
AUGUST 20, 1996

APPLICATION OF
SHENANDOAH TELEPHONE COMPANY
and
SHENANDOAH VALLEY ELECTRIC COOPERATIVE

For approval of a pole line joint use agreement

ORDER GRANTING APPROVAL

On July 31, 1996, Shenandoah Telephone Company ("Shenandoah") and Shenandoah Valley Electric Cooperative ("SVEC"), (collectively referred to as the "Applicants") filed an application with the Commission under the Public Utilities Affiliates Act requesting approval of pole line joint use agreement (the "Agreement") between the Applicants. The Agreement was executed on January 24, 1980.

As stated in the application, Dick D. Bowman and James E. Zerkel II have been directors of Shenandoah since December 11, 1980, and January 14, 1985, respectively. Dick D. Bowman has also been a director of SVEC since November 1970, and James E. Zerkel II was elected a director of SVEC on June 13, 1996. Because the Applicants have two directors in common, Shenandoah and SVEC are affiliates as defined under Section 56-76.5. of the Code of Virginia. Shenandoah and SVEC provide each other tariffed regulated services. In addition to these services, the Applicants have a joint use agreement which allows for the joint use of wood poles.

THE COMMISSION, upon consideration of the application and representations of the Applicants and having been advised by its Staff, is of the opinion and finds that the joint use agreement between the Applicants would be in the public interest and should be approved. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to § 56-77 of the Code of Virginia, Shenandoah Telephone Company and Shenandoah Valley Electric Cooperative are hereby granted approval of the joint use agreement under the terms and conditions and for the purposes as described herein.

(2) The approval granted herein shall not have any ratemaking implications.

(3) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

(4) Should there be any changes in the terms and conditions of the Agreement from those contained herein, Commission approval shall be required for such changes.

(5) The Commission reserves the authority to examine the books and records of the Applicants in connection with the authority granted herein.

(6) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA960052
OCTOBER 8, 1996

APPLICATION OF
THE POTOMAC EDISON COMPANY

For consent to and approval of a modification to an existing inter-company agreement with an affiliate

ORDER GRANTING APPROVAL

The Potomac Edison Company ("Company," "Potomac Edison," "Applicant") filed an application with the Commission under the Public Utilities Affiliates Act for consent to and approval of a modification of an existing Inter-Company Power Agreement (the "Agreement") with Ohio Valley Electric Corporation ("OVEC") and other affiliated companies. Company represents that OVEC is an Ohio corporation which was organized in 1952 primarily for the purpose of supplying electric energy to the United States Atomic Energy Commission (the "AEC") at its Portsmouth, Ohio, gaseous diffusion plant (the "Facility"). The AEC was abolished on January 19, 1975, and certain of its functions, including the procurement of electric power for the Facility, were transferred to, and vested in, the Administrator of the United States Energy Research and Development Administration ("ERDA"). On October 1, 1977, all of the functions of ERDA were transferred to the Secretary of the United States Department of Energy ("DOE").

Potomac Edison further states that OVEC subsequently entered into an Inter-Company Power Agreement (the "Agreement"), dated July 10, 1953, with certain public utilities (the "Sponsoring Companies"), including, among others, The Potomac Edison Company, West Penn Power Company ("West Penn"), and Monongahela Power Company ("Monongahela"), affiliated companies. The Agreement governed, among other things, the obligations of the Sponsoring Companies to sell supplemental power to OVEC and the rights of the Sponsoring Companies to purchase surplus power from OVEC.

The Agreement has since been modified in 1966, 1967, 1975, 1979, 1981, 1992, and 1994. By Order dated June 30, 1976, in Case No. A-498, the Commission approved the Agreement and Modification Nos. 1, 2, 3, and 4 and authorized Company to continue such contractual arrangements. By Order dated March 13, 1980, in that same case, the Commission approved Modification No. 5 and authorized Company to continue such arrangements. By Order dated September 29, 1981, in Case No. PUA810078, the Commission approved Modification No. 6 and again authorized Company to continue the contractual arrangements. By Order dated October 14, 1992, in Case No. PUA920026, the Commission approved Modification No. 7 and authorized

Company to continue such contractual arrangements. By Order dated November 21, 1994, in Case No. PUA940029, the Commission approved Modification No. 8 and again authorized Company to continue such arrangements. The parties to the Agreement have entered into Modification No. 9, dated August 17, 1995, and the parties are seeking appropriate approval from the Federal Energy Regulatory Commission (the "FERC") and from all state regulatory agencies having jurisdiction in the matter. Therefore, Applicant requests Commission approval of Modification No. 9 and authority to continue the contractual arrangements.

As stated in the application, Modification No. 9 effects changes in the Agreement to enable OVEC to assist DOE during an emergency shortage of electricity. The Agreement, as it currently exists, does not contain any provisions regarding sales of emergency power for DOE. Modification No. 9 gives the Sponsoring Companies the discretion to release temporarily their rights to receive from OVEC power and energy to which they would otherwise have been entitled so that OVEC can make such power and energy available in response to a power supply emergency at the Paducah, Kentucky, uranium enrichment facility owned by DOE and operated by United States Enrichment Corporation ("USEC"). Modification No. 9 will also amend the Agreement to allow the Sponsoring Companies to recover a DOE Emergency Power Surcharge from OVEC.

In its application, Appalachian requests approval of Modification No. 9 retroactively as of August 17, 1995. On that date, at the request of DOE/USEC, the Sponsoring Companies, with OVEC's consent, released power in order to alleviate the power supply emergency at the Paducah enrichment facility. The emergency was due to extremely hot weather throughout the midwestern and eastern portions of the United States. As a condition of releasing capacity, the Sponsoring Companies required OVEC to agree to pay their net costs of additional generation or power purchases. In addition, during the emergency, OVEC adjusted the surplus power reservations of the Sponsoring Companies in accordance with their agreements. After August's events, however, OVEC and the Sponsoring Companies realized that an amendment to the Agreement was required to bill for the power released during the emergency, and Modification No. 9 was the result.

As of the date of the filing, three of the corporate directors of Potomac Edison are also directors of OVEC, and Company has thirteen directors in common with West Penn and Monongahela. Accordingly, OVEC, West Penn, and Monongahela are affiliated interests of Potomac Edison within the meaning of § 56-76 of the Code of Virginia.

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 Modification No. 9 to the above-described Inter-Company Power Agreement and Company's continued participation in the contractual arrangements would be in the public interest and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, The Potomac Edison Company is hereby granted approval of Modification No. 9 of the Inter-Company Power Agreement as described herein and to continue the contractual arrangements as described herein.

2) Any further modifications to the Agreement shall require Commission approval.

3) The approval granted herein shall have no ratemaking implications.

4) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

5) The Commission reserves the right to examine the books and records of any affiliate in connection with the authority granted herein, whether or not such affiliate is regulated by this Commission, pursuant to § 56-79 of the Code of Virginia.

6) Applicant shall continue to file a report with the Director of Public Utility Accounting by March 1 of each year, showing power billings for the preceding calendar year pursuant to the approval granted herein.

7) Such power billings shall include the supplemental power sold to OVEC by Company and surplus power sold to Company, as well as charges to Company for emergency power separated as to emergency power surcharge and demand charge.

8) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA960055
OCTOBER 24, 1996

PETITION OF
UNITED CITIES GAS COMPANY
and
ATMOS ENERGY CORPORATION

For authority pursuant to the Utilities Transfer Act, Virginia Code §§ 56-88, et seq.

ORDER CONSOLIDATING PROCEEDING AND EXTENDING TIME FOR REVIEW

On August 26, 1996, Atmos Energy Corporation ("Atmos") and United Cities Gas Company ("United Cities") (collectively referred to as "the Companies") filed a joint petition, docketed as Case No. PUA960055, requesting, pursuant to Chapter 5 of Title 56 of the Virginia Code, approval of transactions that will merge United Cities into Atmos. On September 11, 1996, Atmos filed a related application, docketed as Case No. PUF960016, requesting, pursuant to Chapter 3 of Title 56 of the Virginia Code, approval of certain securities transactions related to the merger. By order entered on September 19, 1996, the Commission consolidated the Atmos' securities application (Case No. PUF960016) into the Companies' merger application

(PUA960055) and extended the period for Staff's review of the securities issues governed by Virginia Code § 55-55, et seq. until the Commission enters a final order on the application for merger.

On October 8, 1996, the Companies filed a joint application, docketed as PUE960232, requesting modification of certificates of public convenience and necessity pursuant to Virginia Code § 56-265.3. Specifically, Applicants request that the Commission, concurrently with the approval of the proposed merger, reissue certificates currently authorizing United Cities to provide gas distribution service in Virginia to Atmos.

Pursuant to § 56-88.1, the Commission must act on the Companies' application (Case No. PUA960055) for authority to acquire or dispose of a public utility within 60 days of filing or the application will be deemed to be approved. In addition, § 56-88.1 allows the Commission to extend this sixty (60) day period for "a period not to exceed an additional 120 days."

Since all the issues in the securities, merger, and certificate application are related, we find that they should be consolidated into the certificate proceeding, or Case No. PUE960232. We note that such issues are complex and will require additional time for review. As such, we are of the opinion that sixty days is not sufficient time in which to fully investigate matters associated with the proposed merger. Therefore, it is appropriate to extend the period for review of issues under Virginia Code § 56-88.1 et seq. for a period of 120 days, or through February 21, 1997. Accordingly,

IT IS ORDERED THAT:

(1) Case No. PUA960055 be, and hereby is, consolidated and merged into Case No. PUE960232.

(2) The period of review of issues governed by Virginia Code § 56-88, et seq. shall be extended for a period not to exceed one hundred and twenty (120) days from the date of this order or through February 21, 1997.

CASE NO. PUA960058
NOVEMBER 25, 1996

APPLICATION OF
WORLDCOM, INC.
and
MFS COMMUNICATIONS COMPANY, INC.

For approval of agreement and plan of merger in related transactions

ORDER GRANTING AUTHORITY

On September 5, 1996, WorldCom, Inc. ("WorldCom") and MFS Communications Company, Inc. ("MFSCC") (collectively referred to as "the Applicants") filed a joint petition requesting, pursuant to Chapter 5 of Title 56 of the Code of Virginia, approval of transactions that will merge HIJ Corp., a wholly-owned subsidiary of WorldCom, into MFSCC. Pursuant to the proposed merger, the shareholders of MFSCC will exchange each share of MFSCC common stock for 2.1 shares of WorldCom common stock. The resulting merger will leave MFSCC as the surviving entity and MFSCC will become a wholly-owned subsidiary of WorldCom. Applicants have sought expedited approval because they plan to consummate the proposed merger no later than December 1, 1996.

MFSCC is a Delaware corporation publicly traded on the Nasdaq Stock Market. Its principal offices are located in Omaha, Nebraska. Pursuant to certificates of public convenience and necessity issued by the Commission to Institutional Communications Company-Virginia and MFS Communications Company, Inc. (through its acquisition of Virginia Metro Tel., Inc.) (the "Virginia Operating Subsidiaries"), MFSCC subsidiaries are authorized to provide telecommunications services throughout the Commonwealth of Virginia, including interLATA exchange services.

MFSCC subsidiaries also operate local fiber optic networks in 45 domestic U.S. metropolitan areas, resale local and interexchange resale services, and are authorized by the Federal Communications Commission ("the FCC") to provide interstate and international long distance services throughout the United States. MFSCC subsidiaries also operate fiber optic networks in a number of cities outside the United States. Recently, MFSCC completed the purchase of UUNET Technology, Inc., a leading national and international provider of a comprehensive range of Internet services, making it the world's largest Internet access provider.

WorldCom, formerly known as LDDS Communications, Inc., is a Georgia corporation publicly traded on the Nasdaq Stock Market with principal offices located in Jackson, Mississippi. WorldCom is a non-dominate communications company which provides a full array of domestic and international long distance voice and data communication services to business and residential customers. WorldCom offers service, both directly and through certain subsidiaries, as a reseller and, in a number of states, as a facilities-based carrier providing intrastate and interstate interexchange service. WorldCom and its operating subsidiaries are authorized to offer intrastate interexchange services in 48 states, including Virginia, and are authorized by the FCC as a non-dominate carrier to offer domestic interstate and international services nationwide.

MFSCC and WorldCom have negotiated an Agreement and Plan of Merger ("the Agreement") whereby the shareholders of MFSCC will exchange each share of MFSCC common stock for 2.1 shares of WorldCom common stock. Upon consummation of the merger, the Applicants expect that MFSCC will continue operating its Virginia Operating Subsidiaries under their current names, and no certificate holder name will change. The proposed transaction will not involve a change in the manner in which the Companies provide telecommunications services, and MFSCC's Virginia Operating Subsidiaries will continue to provide high quality, affordable telecommunications services to the public.

As stated previously, upon closing, the proposed transaction will allow HIJ Corp. to merge into MFSCC, and MFSCC the surviving entity following that merger, will become a wholly-owned subsidiary of WorldCom. In order to complete the transaction and in compliance with federal and state securities laws, WorldCom will offer additional shares of WorldCom common and preferred stock. The Applicants request authority for WorldCom to issue the number of shares required to complete the merger as provided for in the Agreement. In addition, as subsidiaries of WorldCom, MFSCC and

its Operating Subsidiaries, including the Virginia Operating Subsidiaries, will be required to execute a guarantee of WorldCom's preexisting Amended and Restated Credit Agreement in the amount of $3.75 billion, executed on June 28, 1996. MFSCC has entered into two senior discount notes with a current value of approximately $1.3 billion, credit facilities providing for borrowing of up to $390 million in the aggregate, and equipment lease transactions involving up to an aggregate of roughly $60 million. These obligations, or the equivalent of, will remain with the merged companies following the merger.

The above referenced transfer of shares of MFSCC stock for shares of WorldCom stock invokes the jurisdiction of the Commission pursuant to § 56-88.1 of the Utilities Transfers Act. Applicants have sought authority for their merger and under the criteria of § 56-90 of the Utility Transfers Act, the Commission finds that such authority should be granted. Section 56-90 requires that the Commission be satisfied ". . . that adequate service to the public at just and reasonable rates will not be impaired or jeopardized. . . ." The acquisition of control of an interexchange carrier the size of MFSCC will not impair or jeopardize adequate service at just and reasonable rates. The market for interexchange service within Virginia is quite competitive. Even in the unlikely event that MFSCC's Virginia interexchange operations suffer a lapse of quality or increased rates to levels deemed unjust and unreasonable, affected customers could readily switch to another carrier. The proposed merger of HIJ Corp. into MFSCC and the resulting control of MFSCC by its parent WorldCom cannot jeopardize or impair service or rate levels in the overall long distance market. Moreover, while MFS Intelenet of Virginia, Inc. has been certificated as a competitive local exchange carrier in Virginia its rates cannot exceed those of the incumbent local exchange carrier in areas where it has commenced or may commence operations. Its service quality has no track record, as yet, but that too should not suffer impairment or else its customers would revert back to the incumbent. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The disposition and acquisition of control of MFSCC pursuant to the merger of HIJ Corp. into MFSCC be, and hereby is, approved.

(2) MFSCC and WorldCom are authorized to enter into their proposed agreement pursuant to Chapter 5 of Title 56 of the Code of Virginia and to do all acts necessary or incidental thereto in accordance with the petition filed herein.

(3) WorldCom and MFSCC shall respond promptly to any Staff requests for information in connection with this matter and to the quarterly monitoring reports required by the Commission's Rules Governing the Certification of Interexchange Carriers.

(4) The Report of Action, pursuant to the authority granted herein, shall be filed with the Division of Public Utility Accounting no later than January 31, 1997.

(5) There being nothing further to come before this Commission, this docket is closed and the papers passed herein shall be placed in the file for ended causes.

CASE NO. PUA960059
DECEMBER 20, 1996

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

For authority to enter into affiliate agreements

ORDER GRANTING APPROVAL

Bell Atlantic-Virginia ("BA-VA," the "Company," the "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act requesting authority to enter into two affiliate agreements under which BA-VA will provide billing and collection ("B&C") services and will lease space in real estate owned by BA-VA. As stated in the application, Bell Atlantic Directory Services, Inc. ("DSI") will use the B&C services and the leased space in its management of Bell Atlantic's print and electronic directory operations as part of a restructuring of Bell Atlantic's directory operations to conform with the Telecommunications Act of 1996 (the "Act"). BA-VA also requests any other approvals deemed necessary to consummate the transactions contemplated in the application.

As stated by the Company in its application, DSI is a corporation organized and existing under the laws of the State of Delaware and is affiliated with BA-VA. DSI will serve as the management services organization for the Bell Atlantic directory subsidiaries, including the one which will serve Virginia. DSI is a subsidiary of Bell Atlantic Corporation ("BAC"), also an affiliate and the parent of BA-VA. Bell Atlantic Network Services, Inc. ("NSI") serves as the consolidated staff organization for the Bell Atlantic telephone companies, including BA-VA.

The Company states that it currently publishes various white and yellow pages directories in Virginia. It also participates in publishing electronic directories. The Act prohibits a Bell operating company, such as BA-VA from engaging in electronic publishing after February 8, 1997, except through a structurally separated subsidiary which it cannot own or control. Ownership is defined as any direct or indirect equity ownership in excess of ten per cent or the right to receive more than ten per cent of the gross earnings of the electronic publishing subsidiary under a revenue sharing or royalty arrangement. The Act also prohibits a Bell operating company from engaging in joint sales and marketing with an electronic publisher. To comply with these and other provisions of the Act, the Company must either discontinue current and planned electronic publishing activities or move its directory operations into a structurally separated entity by February 8, 1997. With the explosion in the use of the Internet, advertisers want to reach these users and are seeking new and better ways to target their prospective customers more specifically. Electronic advertising provides these businesses with the flexibility to reach this goal.

To comply with the Act and to meet the demands of its directory advertisers, the Company plans to place its directory assets and business operations into a newly created, wholly-owned subsidiary as of January 1, 1997, in exchange for one hundred per cent of the stock of the subsidiary. The subsidiary will be called Bell Atlantic Directory Services-Virginia, Inc. ("Directory-Virginia"). The assets to be transferred consist primarily of office

furniture, personal computers, and pre-paid directory production expenses relating to directories to be published in 1997. The office furniture and personal computers have an estimated transfer value of approximately $700,000, and the pre-paid directory production expenses will be approximately $6 million.

As indicated by the Company, as of January 1, 1997, BA-VA will spin off the ownership of Directory-Virginia to its parent, BAC, via a distribution in the form of Directory-Virginia's stock. This step is required to take BA-VA out of the print directory business, thereby allowing Directory-Virginia to jointly market and sell print and electronic directory products. The Company represents that both steps of this restructure comply with the Internal Revenue Code provisions that permit the tax-free restructuring of businesses.

As described by BA-VA, following the restructuring of the directory operations, DSI, a newly created management service company for the directory operations, will begin to provide centralized management and operations support for both print and electronic products offered by Directory-Virginia and its counterparts in other Bell Atlantic jurisdictions. Directory personnel currently on the NSI and BA-VA payrolls will be transferred to DSI. Union representation will continue.

In accordance with the restructuring, BA-VA will enter into a Lease Agreement and an Agreement for the Provision of Billing and Collection Services (the "B&C Agreement"). Under the Lease Agreement, BA-VA will provide housing for DSI's employees in BA-VA-owned space at Hungary Spring Road in Richmond. The lease is for 9,574 square feet of space which is currently occupied by the employees to be transferred to Directory-Virginia. The annual rental of $251,556 is based on the fully distributed costs of the space. The Company states that it will recover its fully distributed cost on the space, which is well in excess of fair market value. The B&C Agreement, entered into by NSI on behalf of BA-VA and the other Bell Atlantic telephone companies, will provide billing and collection services to DSI for its directory products. The Company represents that these are the same type of B&C services currently provided to unaffiliated interexchange carriers and others. B&C service will also be available to other directory publishers under the same terms and conditions. The estimated annual charge from BA-VA to perform the B&C services is $800,000. The rates in the B&C contract are same rates charged unaffiliated companies for these services. As such, they are the market rates under the Federal Communications Commission's Part 32 and 64 rules governing affiliate charges. Either party has right to terminate the B&C Agreement on ninety days' notice.

BA-VA states that it will also provide listings to DSI for use in publishing directories under a Directory Database License Agreement ("Listings Agreement") entered into pursuant to Tariff 203, section 4B. The Listings Agreement will offer three enhancements to the previously available Listings Agreement. These enhancements are the option to receive information on a daily basis, the option to receive several additional fields of information, and the option to resell the listings to other publishers under the existing use restrictions in exchange for a higher price. The Company states that the prices for providing the listings data that are provided today are the same that have been in place for several years. Pursuant to the tariff, the directory listings will be available to all directory publishers under the terms and conditions, including price, of the new Listings Agreement. BA-VA states that it will receive approximately $2.2 million per year from DSI under a Listings Agreement. This compares to $200,000-$225,000 that the Company received in each of the last four years from sales of listings to other publishers. BA-VA will also continue to receive all revenue it receives today from subscribers for the purchase of tariffed white pages offerings such as additional listings, foreign listings, and alternate listings.

THE COMMISSION, upon consideration of the application and representation of the Applicant and having been advised by its Staff, is of the opinion and finds that the Lease Agreement and the B&C Agreement for which authority is being requested as well as the Listings Agreement are in the public interest and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Bell Atlantic-Virginia, Inc. is hereby granted authority to enter into the Lease Agreement, the B&C Agreement, and the Listings Agreement under the terms and conditions and for the purposes as described herein.

2) Any changes in the terms and conditions of the affiliate agreements authorized herein shall require Commission approval.

3) The authority granted herein shall have no ratemaking implications.

4) The authority granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

5) The Commission reserves the authority to examine the books and records of any affiliate in connection with the authority granted herein whether or not such affiliate is regulated by the Commission.

6) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA960062
DECEMBER 16, 1996

APPLICATION OF
!NTERPRISE-ALTERNET OF VIRGINIA

For approval for the transfer of control of !nterprise-AlterNet of Virginia in connection with the U S West-Continental merger

ORDER GRANTING APPROVAL

On September 24, 1996, !nterprise-AlterNet of Virginia ("!nterprise," the "Applicant," the "Company") filed an application with the Commission under the Utility Transfers Act for approval for the change of control of !nterprise, a Virginia interexchange and intraexchange telephone company.

As stated in the application, !nterprise is a Delaware partnership between AlterNet of Virginia ("AlterNet"), a certificated provider of interexchange service, and U S West !nterprise America, Inc. ("!nterprise America"). AlterNet is a partnership owned by Continental Telecommunications Corp. of Virginia ("Continental VA") and Hyperion Telecommunications of Virginia, Inc. ("Hyperion"). Continental VA owns sixty-three per cent of the partnership interests in AlterNet, and Hyperion owns thirty-seven per cent. !nterprise America is a Colorado corporation wholly-owned, through subsidiaries, by U S West, Inc. ("U S West"), a Colorado corporation. Continental VA is wholly-owned by Continental Cablevision, Inc. ("Continental"). Continental is the nation's third-largest cable operator serving over four million subscribers in twenty states.

On February 27, 1996, U S West and Continental entered in an Agreement and Plan of Merger (the "Merger Agreement") whereby Continental will merge into a subsidiary of U S West, with the U S West subsidiary continuing after the merger as the surviving corporation. The Merger Agreement for the transfer of control of AlterNet to U S West was approved by the Commission in Case No. PUA960045.

As stated in the application, U S West is a diversified global communications company conducting operations through U S West Media Group ("U S West-MG") and U S West Communications Group ("U S West-CG"). The major component of U S West-CG is a Regional Bell Operating Company providing telecommunications services to more than twenty-five million residential and business customers in the fourteen states of Arizona, New Mexico, Utah, Colorado, Wyoming, Washington, Oregon, Idaho, Montana, South Dakota, North Dakota, Minnesota, Nebraska, and Iowa. U S West-MG is comprised of cable and telecommunications network businesses outside of U S West-CG's fourteen-state region and internationally, domestic and international wireless communications network businesses, and domestic and international directory and information services businesses, including telephone directories.

U S West and Continental contemplate that Continental will be operated as a unit of U S West-MG after the merger. The terms of the Merger Agreement call for U S West to acquire from Continental shareholders all of the stock and assets of Continental in exchange for cash or stock in U S West and U S West-MG or both cash and stock. The Merger Agreement calls for the closing of the planned transactions when the requisite approvals are obtained.

As a result of this exchange, U S West will hold all of the stock of Continental and all of the stock of Continental's wholly-owned subsidiary, Continental-TC, and a majority ownership interest in AlterNet. Upon completion of the transaction as planned, control of AlterNet will be transferred to U S West, and thus U S West will be in positive control, rather than negative control, of !nterprise.

The Applicant states that the merger will have no effect on the legal status of !nterprise. U S West and Continental intend for day-to-day operations of Continental to continue to be handled by the same experienced management group now in control of Continental. After the merger, it is intended that Continental VA will retain its present ownership interest in !nterprise through AlterNet and that the current management of AlterNet and !nterprise will remain in place. !nterprise will maintain its presence in Virginia and continue to offer high quality services to customers at competitive prices.

In its application, the Company states that the merger will not impair or jeopardize its ability to provide adequate service to the public at just and reasonable rates. The rates charged by !nterprise will not change as a result of the merger. Moreover, as one of a number of telephone companies certificated to operate in the same territory, !nterprise's rates must be set to meet the competition and its local exchange rates cannot exceed those for comparable services of the incumbent telephone company. !nterprise also states that the proposed transaction will not be a detriment to its ability to provide adequate and reliable service. The Company states that the merger will not result in any reduction in its operations, and it will not result in a retraction of any facilities used to provide service.

Having considered the application, the Commission finds that adequate service to the public at just and reasonable rates will not be impaired or jeopardized by granting approval of the proposed transaction. Accordingly,

IT IS ORDERED THAT:

1) The transfer of control of !nterprise-AlterNet of Virginia as described herein is approved.

2) U S West and Continental are granted approval to enter into the proposed agreement for the transfer of control of !nterprise-AlterNet of Virginia pursuant to Chapter 5, Title 56 of the Code of Virginia and to do all acts necessary and incidental thereto in accordance with the application filed herein.

3) U S West and !nterprise-AlterNet of Virginia shall respond promptly to any Staff requests for information in connection with this matter and to the quarterly monitoring reports required by the Commission's Rules Governing the Certification of Interexchange Carriers.

4) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA960071
DECEMBER 20, 1996

APPLICATION OF
EVERGREEN WATER CORPORATION

For approval of sale and transfer of utility assets

ORDER GRANTING APPROVAL

On November 18, 1996, Evergreen Water Corporation ("Evergreen," the "Company," the "Applicant") filed an application with the Commission under the Utility Transfers Act requesting approval to sell and transfer its utility assets to Prince William County Service Authority (the

"Authority") for approximately $40,000. The Company represents that the $40,000 price was determined through arms-length negotiations between the Authority and First Virginia Bank, executor of the estate of S.J. Bell, the sole shareholder of the Company.

In its application, the Company states that its system has experienced recurring water outages, most recently on October 20, 1996. The Company represents that it does not have the capital resources to make improvements that would be necessary for it to continue to provide adequate service to its customers. The Company further represents that its existing rate schedules would not support the debt necessary to fund the necessary improvements.

As indicated in the application, the Authority currently provides water and/or sewer service to approximately 100,000 residents of Prince William County. On October 24, 1996, the Company and the Authority executed an Agreement of Purchase and Sale (the "Purchase Agreement") under which the Authority will purchase all of the real and personal property of the Company, including the utility assets.

THE COMMISSION, upon consideration of the application and representation of the Applicant and having been advised by its Staff, is of the opinion and finds that the above-described transfer will neither impair nor jeopardize adequate service to the public at just and reasonable rates and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-89 and 56-90 of the Code of Virginia, Evergreen Water Corporation is hereby granted approval of the sale and transfer of utility assets to Prince William County Service Authority under the terms and conditions as described herein.

2) On or before February 28, 1997, the Applicant shall file a report of the action taken pursuant to the authority granted herein, such report to include the date of sale and transfer, the sales price, and the accounting entries to reflect the transaction.

3) This matter shall be continued generally subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUA960083
DECEMBER 20, 1996

APPLICATION OF
DOSWELL LIMITED PARTNERSHIP

For prior approval of acquisition and disposition of control of a public utility

ORDER GRANTING APPROVAL

On December 11, 1996, Doswell Limited Partnership filed an application with the Commission under the Utility Transfers Act requesting prior approval of the acquisition and disposition of control of a public utility. Doswell Limited Partnership ("Doswell"), Doswell I, Inc. ("Doswell I") (together with Doswell, the "Doswell Entities"), and ESI Energy, Inc. ("ESI") (collectively with the Doswell Entities, the "Applicants"), request prior Commission approval of a proposed transaction whereby various affiliates of ESI (the "ESI Parties") will acquire, and various affiliates of the Doswell Entities will dispose of, control of Doswell. Doswell is a limited partnership organized under the laws of Virginia and is considered to be a "public utility" for purposes of the Utility Transfers Act.

On February 13, 1990, in Case No. PUE890068, the Commission approved Doswell's proposed construction and operation of a large combined-cycle generating plant in Hanover County, Virginia, and ordered that a Certificate of Public Convenience and Necessity ("CPCN") be issued to Doswell for this purpose. Doswell I is a Virginia corporation and is the sole general partner of Doswell. ESI is a wholly-owned, indirect subsidiary of FPL Group, Inc., an electric utility holding company that is the parent of Florida Power & Light Company, a public utility.

As stated in the application, the ESI Parties and the Doswell Entities have entered into a Reorganization Agreement dated October 17, 1996. Under the transactions described in the Reorganization Agreement, the ESI Parties will acquire, and the Doswell Entities will dispose of, a controlling interest in Doswell. Under the proposed transactions as described in the filing with the Federal Energy Regulatory Commission ("FERC"), in Docket No. EC97-4-000, Doswell itself will not be reorganized or changed, and the Doswell facility will not be modified. Doswell will remain the owner of the CPCN issued by the Commission. Doswell I will not be reorganized or changed.

As indicated by Doswell in its application, Doswell is a party to two Power Purchase and Operating Agreements ("PPOAs"), each dated January 3, 1990, with Virginia Electric and Power Company ("Virginia Power"). Doswell is an exempt wholesale generator engaged exclusively in the wholesale sale of electricity to Virginia Power in accordance with the PPOAs. The PPOAs are on file with FERC as jurisdictional rate schedules. In February 1990, FERC accepted the rates in Doswell's agreements with Virginia Power for filing, finding them to be just and reasonable.

As stated by Doswell, Virginia Power is Doswell's only customer. Doswell represents that the proposed reorganization will not change or alter the existing PPOAs between Doswell and Virginia Power. Those agreements set forth the FERC-approved rates to be paid by Virginia Power for the capacity and energy provided by Doswell and detail the terms and conditions of the electric service provided by Doswell to Virginia Power. Doswell represents that the proposed reorganization will not affect, or have any impact upon, either rates or service. Virginia Power, in its comments provided to the Commission, states that it does not object to the proposed transaction, and it does not appear that the proposed transaction will provide any economic benefit or be detrimental to its customers.

In its December 11, 1996 application, the Applicants requested, in the alternative, that the Commission find that it has no jurisdiction over the proposed acquisition and disposition of control in Doswell by virtue of a 1992 amendment to Va. Code § 56-88.1.

THE COMMISSION, upon consideration of the application and representations by the Applicants and having been advised by its Staff, is of the opinion and finds that since there is no objection to the granting of the application and the record on the proper application of Va. Code § 56-88.1 has not been fully developed, it is unnecessary for the Commission to disclaim jurisdiction under Va. Code § 56-88.1, and that the proposed reorganization of Doswell will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to Va. Code §§ 56-88.1 and 56-90, Doswell Limited Partnership is hereby granted approval of the proposed acquisition and disposition of control of Doswell as described in the Reorganization Agreement.

2) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

DIVISION OF COMMUNICATIONS

CASE NO. PUC880042
MAY 31, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte, In re: Investigation of pricing methodologies for intrastate access service

ORDER GRANTING JOINT MOTION

By order of December 28, 1995, the Commission invited comments about the access tariff revisions proposed by the Central Telephone Company of Virginia ("Centel") and United Telephone-Southeast, Inc. ("United") and suspended the January 1, 1996, proposed effective date.

By joint motion submitted by Centel, United, and AT&T Communications of Virginia, Inc. ("AT&T") April 26, 1996, the three movants ask that the Commission approve revised tariffs on an interim basis. The revised tariffs were subsequently submitted as Exhibit A with a proposed effective date of June 1, 1996. The movants propose that the interim period last until the earlier of a resolution of the Commission's investigation of universal service, Case No. PUC950081, a resolution of the access pricing docket, Case No. PUC880042, or one year from the approval date of the tariff.

Having considered the joint motion, the Commission finds that it should be granted. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The revised tariffs filed herein as Exhibit A may take effect on an interim basis June 1, 1996.

(2) This matter is continued pending resolution of the Commission's investigation of universal service in Case No. PUC950081, resolution of the Commission's access pricing docket, Case No. PUC880042, or June 1, 1997, whichever occurs first.

CASE NO. PUC890026
JUNE 3, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
DIVISION OF CONSUMER COUNSEL, OFFICE OF THE ATTORNEY GENERAL
v.
BELL ATLANTIC-VIRGINIA, INC. (Formerly the Chesapeake and Potomac Telephone Company of Virginia)

THE CENTRAL TELEPHONE COMPANY OF VIRGINIA
GTE SOUTH INCORPORATED, which includes the former Contel of Virginia, Inc.,
and
UNITED TELEPHONE-SOUTHEAST, INC. (Formerly the United Inter-Mountain Telephone Company)

ORDER GRANTING DISMISSAL

On May 17, 1989, the Division of Consumer Counsel, Office of the Attorney General ("Consumer Counsel"), filed its petition asking the Commission to investigate and invite comments on whether and to what extent the monopoly operations of the telephone companies participating in the Experimental Plan for the Alternative Regulation of Virginia Telephone Companies ("Experimental Plan") should be compensated through royalties or goodwill payments for benefits provided to their competitive services. By order entered June 30, 1989, the Commission invited responses to the petition but did not enter a final order.

On May 24, 1996, the Consumer Counsel filed its Motion for Order of Voluntary Dismissal. The motion states that, following the expiration of the Experimental Plan, the participating telephone companies were permitted alternative forms of regulation adopted pursuant to Virginia Code § 56-235.5. Consumer Counsel asks that the petition be dismissed voluntarily because it is now moot.

HAVING CONSIDERED the motion, the Commission finds that it should be granted. Accordingly,

IT IS THEREFORE ORDERED THAT the petition filed herein is hereby voluntarily dismissed pursuant to the motion of Consumer Counsel and that the papers filed herein shall be placed in the file for ended cases.

CASE NO. PUC910012
FEBRUARY 5, 1996

APPLICATION OF
AT&T COMMUNICATIONS OF VIRGINIA, INC.

To withdraw Analog Voice Grade Channel Services

FINAL ORDER

By order of May 31, 1991, the Commission postponed the proposed effective date for the withdrawal of AT&T's Analog Voice Grade Channel Services until further order of the Commission. On March 22, 1995, AT&T filed an amendment to its petition proposing to implement a three-year, three-month transition plan for the final withdrawal of Analog Voice Grade Channel Services. By order of April 28, 1995, the Commission required AT&T to provide direct mail notice to each affected customer on or before May 30, 1995, to advise them of the proposed transition plan.

In response to that notice, the Lonesome Pine Regional Library Board ("Lonesome Pine") filed a protest June 26, 1995. In a response filed October 31, 1995, AT&T advised that the concerns of Lonesome Pine had been addressed and that Lonesome Pine's counsel had permitted AT&T to represent that Lonesome Pine no longer objected to granting AT&T's petition. Further, AT&T stated that it had not implemented the new price structure, but expected to do so during the second quarter of 1996. In addition, one customer comment was filed in opposition to AT&T's petition.

Having reviewed the proposal contained in AT&T's amendment of March 22, 1995, and considering the deminimus number of comments or objections, the Commission finds that AT&T should be permitted to withdraw its Analog Voice Grade Channel Services in a manner consistent with the three-year, three-month rate transition plan as proposed in its March 22, 1995, Amended Petition. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) AT&T may withdraw the offering of its Analog Voice Grade Channel Services in a manner consistent with the transition plan set out in its March 22, 1995, Amended Petition.

(2) AT&T will notify affected customers and the Commission Staff of the commencement and the revised schedule of the transition plan.

(3) 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. PUC920002
APRIL 8, 1996

APPLICATION OF
CLIFTON FORGE-WAYNESBORO TELEPHONE COMPANY

Regarding interconnection with a cellular mobile radio communications carrier pursuant to Va. Code § 56-508.13

ORDER OF DISMISSAL

On January 16, 1992, the Clifton Forge-Waynesboro Telephone Company ("CFW" or "the Company") filed its application requesting the State Corporation Commission ("Commission") to review the request by Virginia Cellular, Inc. for a non-standard interconnection with CFW in Waynesboro, Virginia pursuant to the provisions of Virginia Code § 56-508.13. The matter was held in abeyance while the two parties negotiated interconnection and explored the possibility of having the matter determined by the Federal Communications Commission ("FCC").

On April 2, 1996, the Company filed its motion to withdraw the application.

The Commission finds that the Motion to Withdraw should be granted. Accordingly,

IT IS THEREFORE ORDERED THAT the application having been withdrawn, this matter is dismissed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC930001
MAY 15, 1996

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

Annual Informational Filing

FINAL ORDER

On July 26, 1995, the Central Telephone Company of Virginia ("Centel" or "the Company") filed its Motion to make rates permanent for the 1992 test year being considered in this Annual Informational Filing ("AIF"). That Motion was filed in response to the AIF report filed by the Commission

Staff on June 14, 1995, which indicated that Centel had earned a return on equity during 1992 of 10.88 percent if the effects of all affiliate agreements were considered, and 15.93 percent if the effects of the unapproved portions of affiliate agreements were not considered. By Order of October 17, 1995, the Commission prescribed notice and invited comments or requests for hearing concerning Centel's motion. No requests for hearing were received, and only AT&T Communications of Virginia, Inc. filed a comment.

On February 13, 1996, the Commission Staff filed its Motion for Refunds asking the Commission to order Centel to refund to its customers the amount of $3,239,184 for the year 1992, along with appropriate interest. Centel filed its response on March 4, 1996, asking that the affiliate expenses in question not be disallowed in their entirety and seeking a hearing so that Centel could present evidence in opposition to the Staff motion.

By Order of March 27, 1996, the Commission scheduled a hearing on May 8, 1996 for the limited purpose of receiving evidence about the justness and reasonableness of the affiliate expenses which had not received prior approval. That hearing was conducted in the Commission's second floor courtroom as scheduled. James B. Wright, Esquire and Richard D. Gary, Esquire appeared on behalf of Centel and Robert M. Gillespie, Esquire appeared on behalf of the Commission Staff. The Company presented the testimony of two witnesses, Charles S. Parrott and Thomas J. Geller. The Staff presented the testimony of Amy J. Gilmour, Senior Public Utility Accountant.

After considering the pleadings and the evidence presented in this case, the Commission finds that the Staff motion should be denied and that Centel's rates for the year 1992 should be made permanent. Because Centel's return on equity for the year 1992 was less than the 14 percent limit established by Paragraph 18 of the Experimental Plan for Alternative Regulation of Virginia Telephone Companies, the Company's rates are no longer subject to refund for that year. We also find that Centel's affiliate agreements in question, (the floor space lease agreement with Centel Cellular dated April 15, 1988, the standard power agreement with Centel Cellular dated April 15, 1988, the service agreement with Central Telephone Company dated January 1, 1989, and the service agreement with Centel Corporation dated July 1, 1991), should be approved retroactively. Accordingly, IT IS THEREFORE ORDERED THAT:

(1) Centel's rates for the year 1992 are hereby made permanent for that year only. Such rates are no longer subject to refund as provided in Paragraphs 19 and 20 of the Experimental Plan.

(2) The affiliate agreements listed above are hereby approved for Centel retroactively.

(3) There by nothing further to come before the Commission, this matter is dismissed and the record developed herein shall be placed in the file for ended causes.

Commissioner Moore did not participate in this proceeding.

CASE NO. PUC930002
JULY 17, 1996

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

Annual Informational Filing

FINAL ORDER

By order of June 11, 1996, the Commission had directed a refund and scheduled a hearing for July 23, 1996, pursuant to the request of AT&T Communications of Virginia, Inc. ("AT&T"). On June 28, 1996, AT&T filed a motion to withdraw its request for hearing in order to allow the refund to be distributed in accordance with the methodology suggested by the Commission Staff in Case No. PUC930004, Application of GTE South, Inc. Annual Informational Filing.

On July 12, 1996, Bell Atlantic-Virginia, Inc. ("BA-VA") filed its report on implementing the refund. Having considered those pleadings, the Commission finds that AT&T's motion should be granted and that the hearing scheduled for July 23, 1996, should be canceled. In addition, BA-VA shall refund $10,191,000 together with interest from the end of the 1992 test year until the date paid. Such refund shall be accomplished in the manner described below. Accordingly,

IT IS ORDERED THAT:

(1) On or before November 29, 1996, BA-VA shall refund with interest as directed below the amount of $10,191,000.

(2) Interest upon such refund shall be computed from January 1, 1993, until the date refunds are made, at an average prime rate for each calendar quarter. The applicable average prime rate for each calendar quarter shall be the arithmetic mean, to the nearest one hundredth of one percent, of the prime rate values published in the Federal Reserve Bulletin or the Federal Reserve's Selected Interest Rates ("Selected Rates") (Statistical Release G.13), for the three months of the preceding calendar quarter.

(3) The interest shall be compounded quarterly.

(4) Refunds shall be distributed to 1992 customers based on each customer's proportion of billed revenues to the total.

(5) The refunds ordered above may be accomplished by credit to each customer's account for current customers. BA-VA should attempt to make refunds to former customers by mailing a check, for refunds of $1 or more, to the last known address of the customer. BA-VA need not mail checks for refunds less than $1 to former customers; however, BA-VA shall prepare and maintain a list of the former accounts which are due refunds of less than $1, and if such former customers contact BA-VA and request their refunds, those refunds shall be made promptly. For customers who owe BA-VA

outstanding balances, BA-VA may offset the credit or refund to the extent no dispute exists regarding the outstanding balance. To the extent that an outstanding balance of such a customer is disputed, no offset shall be permitted for the disputed portion. All unclaimed refunds shall be handled in accordance with Virginia Code § 55-210.6:2.

(6) On or before December 31, 1996, BA-VA shall file with the Division of Communications a document showing that all refunds have been lawfully made pursuant to this order.

(7) BA-VA shall bear all costs of the refund directed in this order.

(8) The tariffed rates of BA-VA for the year 1992 are no longer interim and shall be subject to no additional refunds other than the one ordered herein.

(9) There being nothing further to come before the Commission, this matter shall be removed from the docket and the papers filed herein placed in the file for ended causes.

Commissioner Moore did not participate in this case.

CASE NO. PUC930002
NOVEMBER 27, 1996

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

Annual Informational Filing

ORDER EXTENDING REFUND DISTRIBUTION DATE

By Order entered July 17, 1996, the Commission directed Bell Atlantic-Virginia, Inc. ("BA-VA") to refund the amount of $10,191,000 together with interest on or before November 29, 1996. On November 15, 1996, BA-VA filed its Application to Adjust Refund Distribution Date, stating the difficulty it encountered in converting its data files to be used in the Company's billing system.

BA-VA requests an extension of the refund date from November 29, 1996 to December 31, 1996, assuring that the appropriate interest would be applied through the month of the actual refund issuance.

The Commission is of the opinion that this request should be granted. Accordingly, IT IS THEREFORE ORDERED THAT BA-VA is granted its request of an extension and shall refund the amount $10,191,000 together with appropriate interest on or before December 31, 1996.

Commissioner Moore did not participate in this case.

CASE NO. PUC930003
APRIL 16, 1996

APPLICATION OF
GTE VIRGINIA (Formerly known as Contel of Virginia, Inc.)

Annual Informational Filing

FINAL ORDER

On October 4, 1995, GTE South Incorporated (formerly Continental Telephone Company of Virginia, hereafter "GTE Virginia" or "the Company") filed its motion to make rates permanent for the 1992 test year being considered in this Annual Informational Filing ("AIF"). On March 10, 1995, the Commission Staff filed its AIF Report, which was supplemented July 24, 1995, to discuss the amortization of debt reacquisition losses. A further supplemental report was filed by the Staff on November 17, 1995, to discuss affiliate expenses allocated to GTE Virginia from GTE Labs. The AIF Report and each of the supplements indicate that the highest return on equity during 1992 was 9.89% if the costs allocated from GTE Labs were removed and debt reacquisition losses were amortized. If those adjustments are not made, GTE Virginia's restated return on average equity is 9.51%.

By order of February 13, 1996, the Commission prescribed notice and invited comments or requests for hearing concerning GTE Virginia's motion. Comments or requests for hearing were to be filed on or before April 1, 1996. That date has passed and there have been no comments opposing the motion or requesting a hearing.

In the absence of any requests for hearing and considering that GTE Virginia only opposed the GTE Labs portion of the Supplemental Staff Report of November 17, 1995, the Commission has determined that said reports may be received into the record as evidence without the necessity of a hearing. The only issue before the Commission is to determine if GTE Virginia earned in excess of its authorized range of return on equity for Basic, Discretionary, and Potentially Competitive Services for the year 1992. The authorized range of return on equity prescribed by paragraph 18 of the Experimental Plan was 12-14%. The rate of return statements for the Staff AIF reports show the highest earned return on equity for GTE to be 9.89% in 1992. Since that return is beneath the 14% limit of the experimental plan and has not been contested, the Commission finds that during the 1992 test year, GTE Virginia earned less than the authorized maximum return on equity. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) GTE Virginia's tariffed rates for the year 1992 are hereby made permanent for that year only. Such rates are no longer subject to refund as provided in paragraphs 19 and 20 of the Experimental Plan.

(2) GTE Virginia shall implement the CAM changes and other revisions proposed in the Staff Report of March 10, 1995.

(3) There being nothing further to come before the Commission, this matter is dismissed and the record developed herein shall be placed in the file for ended causes.

Commissioner Moore did not participate in this proceeding.

CASE NO. PUC930005
FEBRUARY 5, 1996

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.

Annual Informational Filing

FINAL ORDER

On March 8, 1995, United Telephone-Southeast ("United") filed its motion to make rates permanent for the 1992 test year being considered in this Annual Informational Filing ("AIF"). On March 3, 1995, the Commission Staff filed its AIF Report (Staff Report) which indicated that United had earned a return on equity of 13.25% during 1992.

By order of July 20, 1995, the Commission prescribed notice and invited comments or requests for hearing concerning United's motion. Comments or requests for hearing were to be filed on or before September 15, 1995. That deadline has passed, and there have been no comments opposing the motion or requesting a hearing.

In the absence of any requests for hearing or any opposition to the Staff Report, the Commission has determined that it may be received into the record without the necessity of a hearing. The only issue before the Commission is to determine if United earned in excess of its authorized range of return on equity for Potentially Competitive, Discretionary, and Basic Services for the year 1992. The authorized range of return on equity prescribed by paragraph 18 of the Experimental Plan was 12-14%. The rate of return statement (Schedule 8) of the Staff Report shows an earned return on equity of 13.25% for 1992. Since that return is beneath the 14% limit of the Experimental Plan and has not been contested, the Commission finds that during the 1992 test year, United earned less than the authorized maximum return on equity. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) United's tariffed rates for the year 1992 are hereby made permanent for that year only. Such rates are no longer subject to refund as provided in paragraphs 19 and 20 of the Experimental Plan.

(2) United shall implement changes proposed in the Staff's Report of March 3, 1995.

(3) There being nothing further to come before the Commission, this matter is dismissed and the record developed herein shall be placed in the file for ended causes.

Commissioner Moore did not participate in this proceeding.

CASE NO. PUC930021
FEBRUARY 22, 1996

PETITION OF
VIRGINIA CITIZENS CONSUMER COUNCIL, INC.

For investigation of the rates and charges of the Chesapeake and Potomac Telephone Company of Virginia

FINAL ORDER

By order of January 29, 1996, the Commission invited a response to Bell Atlantic-Virginia, Inc.'s ("BA-VA" or "the Company") request that the petition of the Virginia Citizens Consumer Council ("VCCC") be dismissed. By letter filed February 20, 1996, counsel for the VCCC requested permission to withdraw its petition.

The Commission finds that the request should be granted. Accordingly,

IT IS THEREFORE ORDERED THAT this matter is dismissed, and the papers filed herein shall be placed in the file for ended causes.

Commissioner Moore did not participate in this matter.

CASE NO. PUC940007
SEPTEMBER 18, 1996

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

Annual Informational Filing

FINAL ORDER

On July 24, 1996, Bell Atlantic-Virginia, Inc. ("BA-VA") filed its motion to make rates permanent for the 1993 test year being considered in this Annual Informational Filing ("AIF"). That motion responded to an AIF Report filed by the Commission Staff July 23, 1996 ("Staff Report"), which indicated that BA-VA had earned a 12.4% return on equity during 1993.

By order of July 31, 1996, the Commission prescribed notice and invited comments or requests for hearing concerning BA-VA's motion. Comments or requests for hearing were to be filed on or before September 16, 1996. That deadline has passed, and no comments were filed opposing the motion or requesting a hearing.

In the absence of any requests for hearing or any opposition to the Staff Report, the Commission has determined that the Report may be received into the record as evidence without the necessity of a hearing. The only issue before the Commission is to determine if BA-VA earned in excess of its authorized range of return on equity for Potentially Competitive, Discretionary, and Basic services for the year 1993. The authorized range of return on equity prescribed by Paragraph 18 of the Experimental Plan is 12-14%. The Rate of Return Statement (Schedule 8) of the Staff Report shows an earned return on equity for 1993 of 12.4%. Since that is beneath the 14% limit of the Experimental Plan and has not been contested, the Commission finds that during the 1993 test year, BA-VA earned less than the authorized maximum return on equity. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) BA-VA's tariffed rates for the year 1993 are hereby made permanent for that year only. Such rates are no longer subject to refund as provided in Paragraphs 19 and 20 of the Experimental Plan.

(2) There being nothing further to come before the Commission, this matter is dismissed and the record developed herein shall be placed in the file for ended causes.

Commissioner Moore did not participate in this proceeding.

CASE NO. PUC940008
OCTOBER 22, 1996

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

Annual Informational Filing

FINAL ORDER

On August 6, 1996, Central Telephone Company of Virginia ("Centel") filed its Motion to make rates permanent for the 1993 test year being considered in this Annual Informational Filing ("AIF"). That Motion was filed in response to the Staff AIF report ("Staff Report") filed on July 31, 1996, which indicated that Centel had earned a return on equity during 1993 of 3.32%. By Order of August 15, 1996, the Commission prescribed notice and invited comments or requests for hearing concerning Centel's motion. No requests for hearing were received, and only AT&T Communications of Virginia, Inc. filed a comment.

In the absence of any request for hearing or any opposition to the Staff Report, the Commission has determined that the Report may be received into the record as evidence without the necessity of a hearing. The only issue before the Commission is to determine if Centel earned in excess of its authorized range of return on equity for Potentially Competitive, Discretionary, and Basic services for the year 1993. The authorized range of return on equity described by Paragraph 18 of the Experimental Plan was 12-14%. The Rate of Return Statement of the Staff Report shows an earned return on equity for 1993 of 3.32%. Since that return is beneath the 14% limit of the Experimental Plan, it has not been contested. The Commission finds that during the 1993 test year, Centel earned less than its authorized maximum return on equity. Accordingly, IT IS THEREFORE ORDERED THAT:

(1) Centel's rates for the year 1993 are hereby made permanent for that year only. Such rates are no longer subject to refund as provided in Paragraphs 19 and 20 of the Experimental Plan.

(2) Centel implement the cost allocation revisions contained in Attachment A of the Staff Report of July 31, 1996.

(3) There being nothing further to come before the Commission, this matter is dismissed and the record developed herein shall be placed in the file for ended causes.

Commissioner Moore did not participate in this proceeding.

CASE NO. PUC940011
NOVEMBER 6, 1996

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.

Annual Informational Filing

FINAL ORDER

On August 16, 1996, United Telephone-Southeast, Inc. ("United" or "the Company") filed its Motion to make rates permanent for the 1993 test year being considered in this Annual Informational Filing ("AIF"). That Motion was filed in response to the AIF report ("Staff Report") filed by the Commission Staff on August 13, 1996, which indicated that United had earned a return on equity during 1993 of 7.09 percent. By Order of August 22, 1996, the Commission prescribed notice and invited comments or requests for hearing concerning United's motion. No requests for hearing were received, and only AT&T Communications of Virginia, Inc. filed a comment.

In the absence of any requests for hearing or any opposition to the Staff Report, the Commission has determined that the Staff Report may be received into the record without the necessity of a hearing. The only issue before the Commission is to determine whether United earned in excess of its authorized range of return on equity for Potentially Competitive, Discretionary, and Basic Services for the year 1993. The authorized range of return on equity prescribed by Paragraph 18 of the Commission's Experimental Plan for Alternative Regulation of Virginia Telephone Companies ("Experimental Plan") was 12-14 percent. The Rate of Return Statement (Schedule 8) filed with the Staff Report shows that during 1993, United earned a return on equity of 7.09 percent. Since that return is beneath the 14 percent limit of the Experimental Plan and has not been contested, the Commission finds that during the 1993 test year, United earned less than the authorized maximum return on equity. Accordingly,

IT IS, THEREFORE, ORDERED THAT:

(1) United's rates for the 1993 test year are hereby made permanent for that year only. Such rates are no longer subject to refund as provided in Paragraphs 19 and 20 of the Experimental Plan.

(2) United shall implement the cost allocation revisions contained in Attachment A of the Staff Report of August 13, 1996.

(3) There being nothing further to come before the Commission, this matter is dismissed and the record developed herein shall be placed in the file for ended causes.

Commissioner Moore did not participate in this proceeding.

CASE NO. PUC940049
MARCH 22, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
PAYPHONES OF AMERICA, INC., d/b/a EASTERN TELECOM PAY TELEPHONE CO.,
Defendant

ORDER OF SETTLEMENT

During its 1993 Session, the General Assembly of Virginia enacted Title 56, Chapter 16.3 of the Virginia Code, entitled the Pay Telephone Registration Act ("the Act"). Virginia Code Ann. § 56-508.16 (1995 Repl. Vol.) of the Act authorizes the State Corporation Commission ("Commission") to promulgate necessary regulations to implement Chapter 16.3 and "[w]ithout limiting the Commission's authority to promulgate other necessary regulations," authorizes the Commission:

1. To levy and collect reasonable registration or other fees;

2. To establish service and rate criteria for registered or certificated persons; and

3. To suspend or revoke registration, or to levy fines or impose other sanctions, for failure to comply with such regulations.

Va. Code Ann. § 56-508.16 (1995 Repl. Vol.).

Pursuant to the authority set forth in the Act, the Commission adopted "Rules for Pay Telephone Service and Instruments" ("Rules") in Case No. PUC930013, which set forth the rules for registration and certification for pay telephone instruments as well as service criteria for, maximum charges from, and information which must be displayed upon pay telephone instruments. Failure to comply with the Rules may result in sanctions under Rule 21. Specifically, Rule 21 provides in pertinent part:

> Failure to comply with the rules contained herein may result in appropriate action by the State Corporation Commission to include disconnection of pay telephone instruments, fines, loss of registration for private pay telephone providers, loss of authority to engage in the pay telephone business for certificated carriers, or any

combination of these penalties which, in the judgment of the Commission, is necessary to protect the public interest . . . .

The Commission's Division of Communications ("Division"), charged with the investigation of each pay telephone provider's compliance with the "Rules for Pay Telephone Service and Instruments", has conducted an investigation of Payphones of America, Inc., d/b/a Eastern Telecom Pay Telephone Co. ("PAI" or "the Company"), the Defendant, and alleges:

(1) PAI, d/b/a Eastern Telecom Pay Telephone Company, was qualified to do business in Virginia on October 12, 1994.

(2) The Commission's November 24, 1993 Final Order adopted Rules effective forthwith, applicable to all pay telephone instruments installed or made available for public use within the Commonwealth of Virginia, whether owned and operated by a local exchange company, an interexchange carrier, a cellular carrier, or a priviately owned pay telephone service provider.

(3) As of December 29, 1994, PAI had registered 899 telephone instruments with the Commission as required by Va. Code Ann. §§ 56-508.15 et seq. of the Pay Telephone Registration Act, and the Rules implementing that Act. The Company's registration number is PPT - 0438.

(4) Between April 17 and August 28, 1995, a representative from the Division inspected various pay telephone instruments owned by PAI and found that four of the instruments examined overcharged consumers for local calls in apparent violation of Rule 12, which limits the rates private pay telephone providers may charge for local calls.

The Company neither admits nor denies these allegations, and in its interrogatory responses filed with the Commission Staff, the Company advises that its Operator Service Provider, Teltrust Communication Services, Inc., billed and rated the local calls made on the pay telephone instruments examined by the Division and alleged to be in violation of Rule 12. PAI 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, PAI represented that:

(1) The Company will make a payment to the Commonwealth of Virginia in the amount of $12,000, to be paid within ten (10) business days of the entry of this Order. This payment will be made by certified or cashier's check, payable to the Treasurer of Virginia, and directed to the attention of the Director of the Division of Communications.

(2) Pursuant to Va. Code Ann. § 12.1-15, the Company will also pay within ten (10) business days of the entry of this Order the sum of $2,812 to defray the cost of undertaking this investigation. This payment will also be made by certified or cashier's check, payable to the Treasurer of the Commonwealth of Virginia and directed to the attention of the Director of the Division of Communications.

(3) Contemporaneously with the filing of an Offer of Settlement, PAI tendered to the Commission a letter from a representative of PAI, certifying that the Company has undertaken to bring its pay telephone instruments into compliance with the Commission's Rules for Pay Telephone Service and Instruments adopted in Case No. PUC930013, and alleges that as of the date of that letter, all of PAI's pay telephone instruments are and continue to be in compliance with the Commission's Rules for Pay Telephone Service and Instruments adopted in Case No. PUC930013.

On March 8, 1996, Staff and PAI, each by counsel, jointly filed a Motion to accept an Offer of Settlement, together with, among other things, a proposed settlement offer. On March 20, 1996, the Hearing Examiner issued his Report, wherein he recommended that the Commission enter an order accepting the terms agreed upon in the Offer of Settlement and dismissing the case from the docket.

The Commission, being fully advised of the premises and finding sufficient basis herein for the entry of this Order in reliance on the Defendant's representations and undertakings set forth above, is of the opinion and finds that the Offer of Settlement made by PAI is in the public interest and should be accepted. We note that the Company has represented that as of the date of the Offer of Settlement, all of its pay telephones are in compliance with the Commission's Rules. The Offer of Settlement accepted herein resolves all issues as of the date of its execution. Any subsequent issues arising after that date may, of course, be the subject of a subsequent proceeding against this Company or its successors.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by Va. Code Ann. § 12.1-15, the Offer of Settlement is hereby accepted and incorporated by reference herein as Attachment A.

(2) Pursuant to Rule 21, PAI shall make a payment in the amount of $12,000, to the Commonwealth of Virginia, as provided in Attachment A.

(3) The sum of $12,000 when tendered by PAI, as provided in Attachment A, shall be accepted.

(4) Pursuant to § 12.1-15, PAI's payment of the sum of $2,812 to defray the costs of this investigation when tendered by PAI, as provided in Attachment A, shall be accepted.

(5) The letter tendered by the representative of PAI certifying that all of its private pay telephones are in compliance with the Commission's Rules as of the date thereof, is accepted.

(6) Upon receipt of the payments provided for above, this matter shall be dismissed, and the papers filed herein placed in the Commission's files for ended causes.

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

CASE NO. PUC940049
APRIL 8, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
PAYPHONES OF AMERICA, INC., d/b/a EASTERN TELECOM PAY TELEPHONE CO.,
Defendant

DISMISSAL ORDER

On March 22, 1996, the State Corporation Commission entered an Order of Settlement in the captioned matter, which, among other things, required Payphones of America, Inc., d/b/a Eastern Telecom Pay Telephone Co. ("PAI") to pay a sum of $12,000, together with $2,812 in investigatory costs, in settlement of the captioned matter. The Staff has advised that PAI has paid the sums required by the March 22 Order.

WHEREFORE the Commission finds that the captioned matter may be dismissed. The Offer of Settlement accepted by the March 22 Order resolves all issues as of the date of execution of the offer of Settlement, i.e., March 8, 1996. Any subsequent issues arising after the date of the Offer of Settlement may, of course, be the subject of a subsequent proceeding against PAI or its successors.

Accordingly, IT IS ORDERED that this matter shall be dismissed from the Commission's docket of active proceedings.

CASE NO. PUC950003
JANUARY 30, 1996

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement its Community Choice Plan among various telephone exchanges

FINAL ORDER

On October 16, 1995, Bell Atlantic-Virginia, Inc. ("BA-VA" or "the Company") filed a "Motion to Add Routes Receiving Community Choice Plan ("CCP") Service" ("Motion"). The Motion was filed in response to the Community Connections proposal of the Clifton Forge-Waynesboro Telephone Company ("CFW") to offer expanded seven-digit calling between CFW's Waynesboro exchange and BA-VA's Greenwood and Staunton exchanges. By Order of November 6, 1995, the Commission ordered BA-VA to provide direct mail notice to each of its Staunton customers about the increase in monthly rates that would be involved in order to offer CCP rates between its Staunton exchange and CFW's Waynesboro exchange. No increase in rates was involved for BA-VA's Greenwood exchange, so that change can be made without notice or an opportunity for a hearing. *See* Code of Va. § 56-40. That Order provided a deadline of January 4, 1996, for BA-VA customers to file written comments or requests for hearing.

That deadline has passed. The Commission received nineteen (19) comments in opposition to the CCP and twenty-four (24) comments in favor of it.

NOW THE COMMISSION, upon consideration of the comments filed in this matter, finds that it is in the public interest to approve the CCP between BA-VA's Staunton exchange and the Waynesboro exchange of CFW. Accordingly, IT IS THEREFORE ORDERED THAT:

(1) BA-VA may implement its proposed Community Choice Plan between its Staunton exchange and the Waynesboro exchange of CFW pursuant to the tariffs filed herein.

(2) There being nothing further to come before the Commission, this matter is dismissed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC950018
JANUARY 3, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of investigating local exchange telephone competition, including adopting rules pursuant to Va. Code § 56-265.4:4.C.3

ORDER GRANTING PETITION FOR RECONSIDERATION

On January 3, 1996, thirteen of Virginia's local exchange telephone companies and cooperatives ("the Companies") filed their Petition for Reconsideration of the Commission's Order Adopting Rules entered December 13, 1995.[1] The Companies' Petition asked that Rule 8(C) be modified to add the phrase "where technically and economically feasible" after the word "utilized." With the revision requested by the Companies, Rule 8(C) would read as follows:

> Interim number portability arrangements shall be utilized where technically and economically feasible until true number portability is available.

Pursuant to the terms of Commission Rule of Practice and Procedure 8:9, the Commission is of the opinion that the Companies' Petition for Reconsideration should be granted for the limited purpose of considering the proposed revision to Rule 8(C). Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The Companies' Petition for Reconsideration is hereby granted.

(2) In all other respects the December 13, 1995, Order Adopting Rules remains unaltered.

[1] Companies sponsoring the Petition are the following: Amelia Telephone Corporation, Buggs Island Telephone Cooperative, Burke's Garden Telephone Company, Citizens Telephone Cooperative, Highland Telephone Cooperative, MGW Telephone Company, New Castle Telephone Company, New Hope Telephone Company, North River Telephone Cooperative, Pembroke Telephone Cooperative, Peoples Mutual Telephone Company, Scott County Telephone Cooperative, and Virginia Telephone Company.

CASE NO. PUC950018
JANUARY 10, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of investigating local exchange telephone competition, including adopting rules pursuant to Va. Code § 56-265.4:4.C.3

ORDER DENYING RULE AMENDMENT

On January 3, 1996, thirteen of Virginia's local exchange telephone companies and cooperatives ("the Companies") filed their Petition for Reconsideration of the Commission's Order Adopting Rules entered December 13, 1995.[1] On January 3, 1996, the Commission entered its Order Granting Petition for Reconsideration ". . . for the limited purpose of considering the proposed revision to Rule 8(C)."

Having considered the Petition, the Commission finds that the current Rules for Local Exchange Telephone Competition provide adequate latitude to address the anticipated concerns that the Companies have about limited capacity for remote call forwarding and other interim number portability arrangements. No amendment to the rules is necessary to permit the parties to interconnection agreements, or the Commission if necessary, to resolve the interim number portability issues raised in the petition. Accordingly,

IT IS ORDERED THAT reconsideration of Rule 8(C) is denied and the Rules adopted on December 13, 1995, remain unaltered.

[1] Companies sponsoring the Petition are Amelia Telephone Corporation, Buggs Island Telephone Cooperative, Burke's Garden Telephone Company, Citizens Telephone Cooperative, Highland Telephone Cooperative, MGW Telephone Company, New Castle Telephone Company, New Hope Telephone Company, North River Telephone Cooperative, Pembroke Telephone Cooperative, Peoples Mutual Telephone Company, Scott County Telephone Cooperative, and Virginia Telephone Company.

CASE NO. PUC950059
JUNE 7, 1996

APPLICATION OF
CITIZENS TELEPHONE COOPERATIVE

To implement extended local service from its Floyd and Willis exchanges to the Christiansburg exchange of Bell Atlantic-Virginia, Inc. and from its Ballard exchange to the Meadows of Dan exchange of the Central Telephone Company of Virginia

ORDER APPROVING EXTENDED LOCAL SERVICE

On August 14, 1995, Citizens Telephone Cooperative ("Citizens" or "the Cooperative") filed an application with the State Corporation Commission ("Commission") pursuant to provisions of Virginia Code § 56-484.3. Citizens proposed to notify its Ballard, Floyd, and Willis subscribers about the increase in monthly rates that would be necessary to extend their local service to include contiguous exchanges. Under the proposals, customers in the Cooperative's Ballard exchange would receive extended local service to the Meadows of Dan exchange of the Central Telephone Company of Virginia ("Centel"), and the Cooperative's Floyd and Willis exchange customers would receive extended local service to the Christiansburg exchange of Bell Atlantic-Virginia, Inc. ("BA-VA").

The poll conducted by Citizens failed in the Floyd and Willis exchanges but received approval in the Ballard exchange for calling to the Meadows of Dan exchange of Centel. Centel's customers in the Meadows of Dan exchange were polled about the increases in their local rates that would be required for extended local service to the Ballard exchange. A majority of Centel's Meadows of Dan customers who voted favored the proposed extension of service.

Having determined that the polls conducted by Citizens and Centel conform with § 56-484.2 of the Code of Virginia, the Commission finds that the proposed extended local service between Ballard and Meadows of Dan should be authorized. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Citizens and Centel may implement extended local service between the Ballard and Meadows of Dan exchanges.

(2) Citizens and Centel file the tariffs necessary to implement the revised rates for the extended local service approved herein. The rates should be consistent with those stated in the polls and public notice.

(3) There being nothing further to come before the Commission, this matter is dismissed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC950061
APRIL 16, 1996

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.

To classify eight Advanced Business Connection services as competitive

ORDER OF DISMISSAL

On June 23, 1995, United Telephone-Southeast, Inc. ("United" or "the Company") filed a request for eight optional features of its Advanced Business Connection service ("Centrex type service") to be classified as competitive pursuant to paragraph 4 of the Company's Alternative Regulatory Plan. Subsequently, the Company requested that the effective date be changed to October 24, 1995. The services have been allowed to become effective as competitive.

This case has not been processed further because the analysis of the Commission Staff determined that the eight optional features were not truly "new services", but actually enhancements or refinements of existing services already classified as competitive.

The Commission finds no need to conduct a proceeding pursuant to paragraph 4 of United's Alternative Regulatory Plan for the eight features which are actually refinements or enhancements of United's Advanced Business Connection service which is already classified as competitive. Accordingly,

IT IS THEREFORE ORDERED THAT this matter is dismissed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC950064
JANUARY 17, 1996

APPLICATION OF
HYPERION TELECOMMUNICATIONS OF VIRGINIA, INC.

For a certificate of public convenience and necessity to provide interexchange telecommunications services and to have its rates determined competitively

FINAL ORDER

On August 4, 1995, Hyperion Telecommunications of Virginia, Inc. ("Hyperion" or "Applicant") filed its application with the State Corporation Commission ("Commission") for a certificate of public convenience and necessity to provide inter-LATA inter-exchange telecommunications service to the public within the areas in and around Charlottesville and Albemarle County, and to have its rates determined competitively. By order of October 24, 1995, the Commission directed Hyperion to provide notice to the public of its application and invited interested persons to file objections on or before December 8, 1995. On October 31, 1995, Hyperion supplemented its application to also include intra-LATA, interexchange services as permitted in the Commission's July 24, 1995 order in Case No. PUC850035. The December 8 date has passed and no objections have been filed. Hyperion has filed its proof of publication as required.

Having considered the applications and the lack of objections, the Commission finds that Hyperion's applications should be granted. Accordingly,

IT IS ORDERED THAT:

(1) Hyperion Telecommunications of Virginia, Inc. is hereby granted a certificate of public convenience and necessity, No. TT-23A, to provide interexchange services subject to the restrictions set out in the Commission's Rules Governing the Certification of Interexchange Carriers and in § 56-265.4:4 of the Code of Virginia.

(2) Hyperion file with the Commission's Division of Communications three (3) copies of tariffs for its services that conform with the Commission's Rules and Regulations.

(3) Such conforming tariffs filed by Hyperion may become effective upon the date of this order or any subsequent date chosen by Hyperion.

(4) Changes in Hyperion's tariff shall be accomplished as set forth in Rule 11 of the Commission's Rules Governing the Certification of Interexchange Carriers.

(5) 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. PUC950067
MARCH 13, 1996

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To reclassify as competitive the intra-LATA toll services of Bell Atlantic-Virginia, Inc.

FINAL ORDER

I. PROCEDURAL HISTORY

On July 24, 1995, in Commonwealth of Virginia ex rel. State Corporation Commission Ex Parte: Investigation of competition for intraLATA, interexchange telephone service, 1995 SCC Ann. Rpt.___, Case No. PUC850035, the State Corporation Commission entered its Order Implementing Phase Two of Interim Order of June 30, 1986. Pursuant to that Order, effective October 1, 1995, competition without presubscription was allowed in the intraLATA toll market in Virginia, consistent with Phase Two of the three-phased approach to intraLATA competition adopted by the Commission on June 30, 1986.

On August 16, 1995, Bell Atlantic-Virginia, Inc. ("BA-VA") filed an application with the Commission requesting that its intraLATA toll services be classified as Competitive pursuant to Paragraph 4A of the BA-VA Plan for Alternative Regulation ("Plan"). The services included in that request were Message Telecommunications Services ("MTS"), Wide Area Telephone Service ("WATS"), and 800 services.

On January 17 and 18, 1996, the Commission held a hearing to consider BA-VA's application, and on February 15, 1996, post-hearing briefs were filed by BA-VA, AT&T Communications of Virginia, MCI Communications Corporation of Virginia, Sprint Communications Company, the Virginia Cable Television Association, and the Commission Staff.

II. DISCUSSION

The testimony, exhibits, and post-hearing briefs submitted in this case pointed out that major controversy exists concerning the degree to which dialing disparity represents a barrier to competition from the interexchange carriers ("IXCs") serving as an effective regulator of the prices charged by BA-VA. While BA-VA maintained that the need to dial the five extra digits of 10XXX is merely an inconvenience, the IXCs and Commission Staff argued

that it is a significant impediment which allows the incumbent 1+ carrier to price its services without regard to the prices of other carriers in the intraLATA market.

The significance of this issue is recognized in the Telecommunications Act of 1996 ("the Act"), which became effective February 8, 1996. Several of the post-hearing briefs submitted by the parties on February 15, 1996, mentioned the newly-enacted legislation, and the Commission has had an opportunity to familiarize itself with the pertinent provisions of the Act. Section 271 of the Act provides the requirements a Bell Operating Company ("BOC") must meet if it is to be allowed to furnish interLATA services within its region. Once a BOC is granted authority to provide such interLATA services, the BOC, pursuant to § 271(e)(2)(A) of the Act, must "provide intraLATA toll dialing parity throughout the State coincident with its exercise of that authority."

BA-VA has a strong incentive under the Act to move into the interLATA market, and it appears likely it will attempt to do so. Under the Act, BA-VA, if granted authority to provide interLATA services, must provide intraLATA dialing parity throughout Virginia. When this occurs, the Virginia statutory criteria prerequisite to finding competition as an effective regulator of the price of intraLATA toll services may well be met. However, based on the record before us at this time, the Commission concludes that the statutory criteria set out in § 56-235.5(F) of the Code have not been satisfied for classification of intraLATA MTS as Competitive.

The record does justify finding that competition for WATS and 800 services effectively regulates their prices. Strong IXCs are already offering those services without the impediment of dialing disparity. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) BA-VA's WATS and 800 services are hereby classified as Competitive pursuant to Paragraph 4 of the BA-VA Plan for Alternative Regulation and Virginia Code § 56-235.5(F). BA-VA shall file tariffs for these services pursuant to Paragraph 5 of its Plan.

(2) The classification of BA-VA's MTS shall not be altered at this time.

(3) There being nothing further to come before the Commission in this case, this proceeding is closed and the record developed herein shall be placed in the file for ended causes.

CASE NO. PUC950067
APRIL 3, 1996

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To reclassify as competitive the intra-LATA toll services of Bell Atlantic-Virginia, Inc.

ORDER GRANTING RECONSIDERATION

On April 3, 1996, Bell Atlantic-Virginia, Inc. ("BA-VA") filed its Petition for Reconsideration. Pursuant to Rule 8:9 of the Commission's Rules of Practice and Procedure, April 3, 1996, is the last date for the Final Order of March 13, 1996, to be modified or vacated.

The Commission finds that the Petition for Reconsideration should be granted in order to allow the Commission adequate time to consider the merits of the Petition. Accordingly,

IT IS THEREFORE ORDERED THAT BA-VA's Petition for Reconsideration is hereby granted so that the Commission may consider the appropriateness of the modifications BA-VA has suggested to our Final Order of March 13, 1996.

CASE NO. PUC950067
MAY 28, 1996

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To reclassify as competitive the intra-LATA toll services of Bell Atlantic-Virginia, Inc.

ORDER UPON RECONSIDERATION

On April 3, 1996, Bell Atlantic-Virginia, Inc. ("BA-VA") filed its Petition for Reconsideration. By order entered that same day, the Commission granted the Petition for Reconsideration in order to consider the appropriateness of the modifications BA-VA sought to the Commission's Final Order of March 13, 1996.

HAVING CONSIDERED the matter, the Commission finds that no modifications are needed. Accordingly,

IT IS THEREFORE ORDERED that our Final Order of March 13, 1996, remains unaltered.

CASE NO. PUC950068
MAY 10, 1996

APPLICATION OF
GTE SOUTH, INC.

To implement extended local service from its Bluefield exchange to its Pocahontas exchange

FINAL ORDER

On August 16, 1995, GTE South, Inc. ("GTE" or "the Company") filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of Virginia Code § 56-484.2, proposing to notify the Company's Bluefield, Virginia exchange subscribers of the increase in monthly rates that would be necessary to extend their local service to include the Pocahontas exchange. By order of September 22, 1995, the Commission directed GTE to publish notice of the proposed increases. Comments or requests for hearing were due on or before November 20, 1995.

On December 4, 1995, the Division of Communications submitted its report referring to the notice that was published by GTE, and stating that one comment in opposition was received. The Commission determined, that pursuant to the provisions of § 56-484.2A of the Code of Virginia, a poll was not required in the Bluefield exchange because the proposed rate increase for one party residential flat rate service would not exceed 5% of the current monthly rate for such service. The Commission need not convene a hearing unless requested by the lesser of 5% or 150 customers in the Bluefield exchange, as provided in § 56-484.2C of the Code of Virginia.

In its report the Staff recommended that no further action be taken in this case until telephone customers in the Bluefield, West Virginia and Bluewell, West Virginia exchanges were surveyed by Citizens Telecom ("Citizens"). Citizens is the local exchange carrier serving these West Virginia exchanges.

By memo dated May 6, 1996, Citizens informed the Commission that a few ballots continue to "trickle in," and that 88 percent of those responding are not interested in local service to Pocahontas. Accordingly,

IT IS ORDERED THAT:

(1) The proposed extension of local service from GTE's Bluefield, Virginia exchange to its Pocahontas exchange may be implemented as quickly as GTE may accomplish it.

(2) GTE shall implement the tariff provisions necessary for the proposed extension of local service.

(3) GTE shall also implement one-way extended local service from its Pocahontas exchange into the Bluefield and Bluewell, West Virginia exchanges of Citizens Telecom.

(4) There being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC950073
MARCH 21, 1996

GTE SOUTH INCORPORATED,
Petitioner
v.
METROPOLITAN WASHINGTON AIRPORTS AUTHORITY,
Defendant

OPINION

On December 20, 1995, Metropolitan Washington Airports Authority ("MWAA") filed a notice of appeal to the Commission's November 22, 1995, order ("order") in which the Commission denied MWAA's motion to dismiss the captioned petition and ruled that it had jurisdiction in this matter. The order acknowledged that a number of factual issues were unresolved, established a procedure for filing a stipulation and testimony, and scheduled a hearing.

The November 22 order addressed, inter alia, MWAA's assertion that it is a political subdivision of Virginia, and therefore the Commission has no jurisdiction over it. The Commission concluded that:

> Article IX, § 7 of the Virginia Constitution merely excludes political subdivisions from the definition of the terms "corporation" or "company" as they are used in that Article. It does not follow that political subdivisions of Virginia are exempt from Commission jurisdiction for all purposes.

November 22, 1995, order at 2-3 (emphasis in original).

Regardless of whether MWAA is a political subdivision of the Commonwealth, Article IX, § 7, does not address the Commission's jurisdiction over political subdivisions for purposes of determining their status as providers of telephone services under the Commission's shared tenant services rules. The Commission need not treat MWAA as a public service corporation to make such a determination. Thus Article IX, § 7, does not apply.

Moreover, the Commission determined that MWAA is not a political subdivision of Virginia. The limited exemption in Article IX, § 7 of the Virginia Constitution is inapposite for that reason also. The interstate compact that created MWAA expressly states that MWAA is independent of Virginia, its local governments, and the federal government. P.L. 99-500, § 6007(b)(1); see also 1987 Va. Acts, Ch. 665, § 5B.

The Virginia Supreme Court's decision that the Washington Metropolitan Area Transit Authority ("WMATA") is a political subdivision of Virginia does not require a different result. In that case, PEPCO v. State Corporation Commission, 221 Va. 632, 272 S.E.2d 214 (1980), the Court examined language in the interstate compact that created WMATA:

> [WMATA] is hereby created, as an instrumentality and agency of each of the signatory parties hereto.

Va. Code § 56-529-530, Title III, Art. III, § 4. By contrast, the language in the MWAA compact states that MWAA is independent of Virginia.

In addressing the issues in GTE's petition, the Commission exercised its regulatory authority over the provision of local exchange telephone service. GTE is a certificated provider of local exchange service at Dulles Airport, and GTE's petition concerned an alleged interference with its right to provide local exchange service. The Commission clearly has jurisdiction to address a potential interference with a certificate holder's rights, regardless of the legal status of the opposing entity.

As noted in the November 22 order, MWAA acknowledged in a filing at the Federal Communications Commission ("FCC") that the Commission has jurisdiction over shared tenant service, an issue at the heart of the captioned petition:

> We freely concede that, insofar as the Authority's shared tenant system ("STS") may be engaged in the provision of intrastate telecommunications services, the regulatory status of the system is determined by the Virginia State Corporation Commission.

November 22, 1995 order at 3, citing Reply of MWAA to Opposition of GTE South Incorporated at 1, fn 1 (CC Docket No. 95-149, September 18, 1995). The pending FCC proceeding involves the same set of facts and the same parties as those in GTE's petition. Further, the issues in both proceedings overlap.

Virginia law and the Commission's rules provide that no entity may furnish telephone service to others in a campus or airport arrangement unless it is a certificated local exchange telephone company, an STS reseller of local exchange telephone service, or the Commonwealth itself. MWAA is not a certificated local exchange telephone company. Its only authority, at this point, to resell local telephone service is as an STS provider, pursuant to the tariffs of a certificated carrier and the applicable rules of this Commission. Thus, the Commission finds that it has jurisdiction over MWAA.

Another point addressed in the November 22 order is whether any factual issues exist concerning MWAA's compliance with the Commission's shared tenant service rules. The order clearly noted:

> The pleadings have raised several disputed issues of fact, and we will reserve judgment on the factual issues pending further development of the record by stipulation of facts and hearing on the disputed issues.

November 22, 1995, order at 3.

In conclusion, the Commission's November 22 order properly asserted jurisdiction over MWAA and the issues, still pending before the Commission, raised in GTE's petition.[1]

[1] Code § 12.1-39 requires that the Commission, "whenever an appeal is taken therefrom, file in the record of the case a statement of the reasons upon which the action appealed from was based." We issue this opinion to comply with that provision. However, our November 22 order granted no final relief on the merits of this case; to the contrary, it expressly provided for further proceedings to consider such substantive issues. In our view, therefore, our order was not a "final finding, decision settling the substantive law, order or judgment of the Commission," as Code § 12.1-39 describes actions to which an appeal of right attaches.

CASE NO. PUC950073
SEPTEMBER 3, 1996

PETITION OF
GTE SOUTH INCORPORATED,
Petitioner
v.
METROPOLITAN WASHINGTON AIRPORTS AUTHORITY,
Respondent

ORDER OF DISMISSAL

On April 26, 1996, GTE South, Inc. ("GTE") and Metropolitan Washington Airports Authority ("MWAA") filed a joint motion to dismiss with prejudice GTE's petition for a declaratory ruling and injunctive relief, and to approve an individual case basis ("ICB") tariff. A copy of the proposed ICB tariff was attached to the motion. In support of this motion, the parties assert that they have signed a settlement agreement that resolves the issues in this proceeding, and that they have negotiated an ICB tariff. Therefore, the parties assert that there is no need for this proceeding to continue.

Since the date the motion was filed, the parties and Commission's Staff have worked together to revise the ICB pricing arrangement so that it conforms with the ICB filing provisions of GTE's Alternative Regulatory Plan. A revised ICB Agreement was received by the Commission's Division of Communications on August 21, 1996. It was filed pursuant to Paragraph 4 of GTE's Alternative Regulatory Plan.

NOW, having considered the matter, the Commission is of the opinion and finds that the joint motion should be granted. Accordingly,

IT IS ORDERED THAT:

(1) GTE's petition for declaratory judgment and injunctive relief is dismissed with prejudice.

(2) There being nothing further to come before the Commission, this case shall be dismissed.

CASE NO. PUC950074
FEBRUARY 8, 1996

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To classify its voice activated speed calling service as competitive

FINAL ORDER

On September 11, 1995, Bell Atlantic-Virginia, Inc. ("BA-VA") filed an application requesting that its voice activated speed calling service ("Easy Voice") be classified as Competitive pursuant to Paragraph 4A of the BA-VA Plan for Alternative Regulation ("BA-VA Plan"). By order of December 15, 1995, the Commission prescribed notice and scheduled a hearing for February 6, 1996, to receive evidence about the application.

When the hearing was convened February 6, the Commission received BA-VA's proof of publication, the prefiled direct testimony of Ellen Bradley of Bell Atlantic, the prefiled direct testimony of Larry J. Cody of the Commission Staff, and a marketing pamphlet explaining the use of Easy Voice. Having considered that evidence and the lack of opposition, the Commission finds that Easy Voice should be classified as Competitive pursuant to Paragraph 4A of the BA-VA Plan. Accordingly,

IT IS ORDERED THAT:

(1) BA-VA's Easy Voice service is hereby classified as Competitive pursuant to Paragraph 4A of the BA-VA Plan for Alternative Regulation.

(2) There being nothing further to come before the Commission, this case is dismissed and the record developed herein shall be placed in the file for ended causes.

CASE NO. PUC950075
JANUARY 29, 1996

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

To offer its new optional Centrex feature as a "Competitive" Service

FINAL ORDER

On September 13, 1995, Central Telephone Company of Virginia ("Centel" or "the Company") delivered an application to the State Corporation Commission requesting that the Company's proposed new optional Centrex feature, Call Forward Busy/Don't Answer - External/Internal Split, be classified as a competitive service pursuant to Paragraph 4.A of the Alternative Regulatory Plan for Central Telephone Company of Virginia ("the Plan") and Virginia Code § 56-235.5E. On October 30, 1995, Centel completed its application. As required by Paragraph 4.A, the Company notified the Office of the Attorney General, and all certificated interexchange carriers of the new service offering. Centel proposed to make its new service offering effective on December 1, 1995, as a competitive service.

By Order entered November 17, 1995, the Commission scheduled a hearing for January 29, 1996, at 10:00 a.m., concerning Centel's application, and established a procedural schedule for filing notices of protest and testimony. No protests were filed in this matter. Testimony was prefiled only by Centel and by the Commission Staff.

At the hearing on January 29, 1996, James B. Wright, Esquire, and Charles H. Carrathers, III, Esquire, appeared as counsel for Centel, and Sherry H. Bridewell appeared on behalf of the Commission Staff. No public witnesses or other parties appeared. The prefiled testimonies of Centel and the Commission Staff were received into evidence pursuant to stipulations that no cross-examination was desired by either Centel or the Staff.

Having considered the application and evidence, the Commission is of the opinion that Centel's application should be granted.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) Pursuant to Paragraph 4.A of its Alternative Regulatory Plan, Centel's proposed optional Centrex feature, Call Forward Busy/Don't Answer - External/Internal Split is hereby classified as competitive.

(2) There being nothing further to be done in this proceeding, this matter is hereby dismissed from the Commission's docket of active proceedings, and the record developed herein shall be placed in the Commission's files for ended causes.

CASE NO. PUC950077
JANUARY 29, 1996

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement extended local service from its Roanoke exchange to Centel's Boones Mill exchange

FINAL ORDER

On October 24, 1995, Bell Atlantic-Virginia, Inc. ("BA-VA") filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of Virginia Code § 56-484.2. BA-VA proposed to notify its Roanoke exchange subscribers of the increases in monthly rates that would be necessary to extend their local service to include the Boones Mill exchange of Central Telephone Company of Virginia ("Centel"). By order of November 14, 1995, the Commission directed BA-VA to publish notice of the proposed increases. Comments or requests for hearing were due on or before January 12, 1996.

On January 19, 1996, the Division of Communications submitted its report referring to the notice that was published by BA-VA, and stating that no comments or requests for hearing had been received. The Commission determined that, pursuant to the provisions of § 56-484.2A of the Code of Virginia, a poll was not required in the Roanoke exchange because the proposed rate increase for one party residential flat rate service would not exceed 5% of the current monthly rate for such service. The Commission need not convene a hearing unless requested by the lesser of 5% or 150 customers in the Roanoke exchange, as provided in § 56-484.2C of the Code of Virginia. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service from BA-VA's Roanoke exchange to the Boones Mill exchange of Centel may be implemented in a manner suitable to the two companies.

(2) The two companies shall implement the tariff revisions necessary for the proposed extension of local service.

(3) There being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC950078
FEBRUARY 26, 1996

COMMONWEALTH OF VIRGINIA, ex rel
STATE CORPORATION COMMISSION

Ex Parte, in re: Investigation of the pricing and provisioning of residential Integrated Services Digital Network offered by Bell Atlantic-Virginia, Inc.

ORDER INITIATING INVESTIGATION AND INVITING COMMENTS

By Motion filed December 1, 1995, because of numerous comments from the public, the Staff of the State Corporation Commission ("Staff") requested that the Commission initiate an investigation of the pricing and provisioning of Bell Atlantic-Virginia, Inc's. ("BA-VA") residential Integrated Services Digital Network ("ISDN"), also known as Residential IntelliLinQ BRI Service in BA-VA tariffs. This investigation would require notice and allow an opportunity for affected persons to comment and participate. On January 16, 1996, BA-VA filed its answer to that motion.

The Commission is of the opinion that the requested investigation should be initiated and that notice should be furnished to the public so that they may have an opportunity to comment upon the pricing and provisioning of BA-VA's residential ISDN service. Accordingly, IT IS THEREFORE ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUC950078.

(2) On or before March 22, 1996, the Commission's Division of Communications shall publish as classified advertising in newspapers of general circulation throughout BA-VA's service territory the following notice:

NOTICE THAT THE VIRGINIA STATE CORPORATION COMMISSION IS CONDUCTING AN INVESTIGATION OF THE PRICING AND PROVISIONING OF RESIDENTIAL ISDN SERVICE BY BELL ATLANTIC-VIRGINIA, INC.
CASE NO. PUC950078

By Order of February 26, 1996, the Virginia State Corporation Commission ("SCC") initiated an investigation into the pricing and provisioning of residential Integrated Services Digital Network ("ISDN") Service by Bell Atlantic-Virginia, Inc. ("BA-VA"). The investigation will consider (1) whether flat-rate prices for voice use, data use, or both should be made available and at what price, (2) whether existing usage-sensitive prices are affordable, (3) whether the offered transmission capabilities of ISDN lines are adequate, and (4) whether there are any other concerns about BA-VA's residential ISDN Service.

Interested persons shall submit an original and five (5) copies of written comments concerning BA-VA's residential ISDN Service to the Clerk of the Commission, William J. Bridge, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, on or before April 22, 1996, referring to Case No. PUC950078. Interested persons may also contact the Division of Communications at (804) 371-9420 or may write to the Division at P.O. Box 1197, Richmond, Virginia 23218.

VIRGINIA STATE CORPORATION COMMISSION

(3) On or before March 1, 1996, a copy of this order shall be made available for public inspection in the Commission's Document Control Center located on the first floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia, from 8:15 a.m. to 5:00 p.m. Monday through Friday. Interested parties may also request a copy from the Division of Communications, P.O. Box 1197, Richmond, Virginia 23218, or by calling (804) 371-9420.

(4) On or before April 22, 1996, any interested persons shall file an original and five (5) copies of written comments concerning BA-VA's residential ISDN Service. All written comments shall be filed with William J. Bridge, Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, and shall refer to Case No. PUC950078.

(5) This order shall be sent forthwith to the Registrar of Regulations for appropriate publication in the Virginia Register.

(6) On or before April 12, 1996, the Division of Communications shall file with the Clerk of the Commission proof of publication of the notice described herein.

(7) Discovery shall be conducted pursuant to Rule 6:4 of the Commission's Rules of Practice and Procedure.

CASE NO. PUC950079
MARCH 8, 1996

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement extended local service between the Roanoke exchange and the Shawsville exchange

FINAL ORDER

On November 17, 1995, Bell Atlantic-Virginia, Inc. ("BA-VA" or "the Company") filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of Virginia Code § 56-484.2, proposing to notify its Roanoke subscribers of the increases in monthly rates that would be necessary to extend their local service to include the Shawsville exchange. By order of December 20, 1995, the Commission directed BA-VA to publish notice of the proposed increases. Comments or requests for hearing were due on or before February 15, 1996.

On February 23, 1996, the Division of Communications submitted its report referring to the notice that was published by BA-VA and stating that no comments or requests for hearing had been received. The Commission determined that, pursuant to the provisions of § 56-484.2A of the Code of Virginia, a poll is not required in the Roanoke exchange because the proposed rate increase for one-party residential flat rate service would not exceed 5% of the current monthly rate for such service. The Commission need not convene a hearing unless requested by the lesser of 5% or 150 customers in the Roanoke exchange, as provided in § 56-484.2C of the Code of Virginia. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service from BA-VA's Roanoke exchange to the Shawsville exchange may be implemented in a manner suitable to BA-VA.

(2) BA-VA shall implement the tariff revisions necessary for the proposed extension of local service.

(3) There being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC950082
MAY 1, 1996

APPLICATION OF
MFS INTELENET OF VIRGINIA, INC.

For a Certificate of Public Convenience and Necessity to Provide Local Telecommunications Services

ORDER

On December 14, 1995, MFS Intelenet of Virginia, Inc. ("MFS" or "Applicant") filed an application with the State Corporation Commission for a certificate of public convenience and necessity ("certificate") to provide local telecommunications services within the Commonwealth of Virginia in all exchanges in which Bell Atlantic-Virginia, Inc. ("BA-VA") and GTE South Incorporated ("GTE") currently provide local exchange service. By order of January 29, 1996, the Commission directed MFS to provide notice to the public of its application, directed the Commission Staff ("Staff") to conduct an investigation and file a Staff Report, and scheduled a public hearing. On February 23, 1996, the Applicant filed direct testimony in support of its application.

On April 11, 1996, the Staff filed its Staff Report. The Staff found that MFS's application was in compliance with the Commission's Rules for Local Exchange Telephone Competition ("Rules") as adopted in Case No. PUC950018. Staff noted that MFS had submitted illustrative tariffs that did not include rate levels. The Company has stated that actual rates cannot be determined yet, since they will be dependent on costs established through future interconnection arrangements with BA-VA and GTE. In its Report, the Staff indicated that it will perform a review of the tariffs to ensure compliance with Commission rules and regulations once rates are established and complete tariffs are filed. Such a filing and review would be conducted prior to any services being offered.

Notices of Protest were filed by GTE and a group of 16 local exchange companies.[1] No Protest or Protestant's testimony was filed by these two entities. BA-VA filed a letter which indicated that it would not file a protest but noted that the MFS tariffs were incomplete because they did not include prices.

A hearing was conducted on April 30, 1996. MFS filed proof of publication and proof of service as required by the January 29, 1996, order. At the hearing, the testimony of the Applicant, accompanying exhibits, and the Staff Report were entered into the record without cross-examination by the parties. None of those companies filing a notice of protest had any objection to the granting of the certificate.

Having considered the application, the MFS testimony and exhibits, and the Staff Report, the Commission finds that the MFS application should be granted. Accordingly,

IT IS ORDERED THAT:

(1) MFS Intelenet of Virginia, Inc. is hereby granted a certificate of public convenience and necessity, No. T-359, to provide local telecommunications services subject to the restrictions set out in the Commission's Rules for Local Exchange Telephone Competition and Virginia Code § 56-265.4:4.

(2) Promptly after calculation of its prices for its services and prior to initiation of service, MFS shall provide tariffs to the Commission's Division of Communications which conform with all Commission rules and regulations.

(3) There being nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.

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[1] The 16 local exchange companies are Amelia Telephone Corporation, Buggs Island Telephone Cooperative, Burke's Garden Telephone Company, Citizens Telephone Cooperative, Highland Telephone Cooperative, MGW Telephone Company, New Castle Telephone Company, New Hope Telephone Company, North River Telephone Cooperative, Pembroke Telephone Cooperative, Peoples Mutual Telephone Company, Scott County Telephone Cooperative, Virginia Telephone Company, Shenandoah Telephone Company, Clifton Forge-Waynesboro Telephone Company, and R & B Telephone.

CASE NO. PUC950083
MAY 3, 1996

APPLICATION OF
MCIMETRO ACCESS TRANSMISSION SERVICES OF VIRGINIA, INC.

For a Certificate of Public Convenience and Necessity to Provide Local Telecommunications Services

ORDER

On December 18, 1995, MCImetro Access Transmission Services of Virginia, Inc. ("MCImetro" or "Applicant") filed an application with the State Corporation Commission for a certificate of public convenience and necessity ("certificate") to provide local exchange telecommunications services throughout the Commonwealth of Virginia. By order of January 29, 1996, the Commission directed MCImetro to provide notice to the public of its application, directed the Commission Staff ("Staff") to conduct an investigation and file a report, and scheduled a public hearing.

On April 11, 1996, the Staff filed its report, which stated that MCImetro's application was in compliance with the Commission's Rules for Local Exchange Telephone Competition ("Rules") as adopted in Case No. PUC950018. The Staff noted that MCImetro had submitted illustrative tariffs

that did not include rate levels. The Applicant has stated that actual rates cannot be determined until interconnection arrangements have been secured and compensation issues have been resolved. In its report, the Staff indicated that once rates are established and complete tariffs are filed, it will perform a review of the tariffs to ensure compliance with Commission rules and regulations.

Notices of protest were filed by GTE and a group of 16 local exchange companies.[1] No Protest or Protestant's testimony was filed by these entities. Bell Atlantic-Virginia, Inc. filed a letter which indicated that it would not file a protest but noted that MCImetro's tariffs were incomplete because they did not include prices.

A hearing was conducted on April 30, 1996. MCImetro has filed proof of publication and proof of service as required by the January 29, 1996 order. At the hearing, the application, accompanying exhibits, and the Staff Report were entered into the record without objection by the parties. None of those companies filing a notice of protest had any objection to granting the certificate.

Having considered the application and the Staff Report, the Commission finds that MCImetro's application should be granted. Accordingly,

IT IS ORDERED THAT:

(1) MCImetro Access Transmission Services of Virginia, Inc. is hereby granted a certificate of public convenience and necessity, No. T-360, to provide local exchange telecommunications services subject to the restrictions set out in the Commission's Rules for Local Exchange Telephone Competition and Virginia Code § 56-265.4:4.

(2) MCImetro shall provide tariffs to the Commission's Division of Communications which conform with all Commission rules and regulations.

(3) There being nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.

[1] The 16 local exchange companies are Amelia Telephone Corporation, Buggs Island Telephone Cooperative, Burke's Garden Telephone Company, Citizens Telephone Cooperative, Highland Telephone Cooperative, MGW Telephone Company, New Castle Telephone Company, New Hope Telephone Company, North River Telephone Cooperative, Pembroke Telephone Cooperative, Peoples Mutual Telephone Company, Scott County Telephone Cooperative, Virginia Telephone Company, Shenandoah Telephone Company, Clifton Forge-Waynesboro Telephone Company, and R & B Telephone.

CASE NO. PUC960001
JUNE 17, 1996

APPLICATION OF
!NTERPRISE-ALTERNET OF VIRGINIA DATA COMMUNICATIONS

For a certificate of public convenience and necessity to provide intrastate data telecommunications service

FINAL ORDER

On January 2, 1996, and as first amended on January 22, 1996, !NTERPRISE-AlterNet of Virginia Data Communications ("!NTERPRISE" or "Applicant") filed an application with the State Corporation Commission for a certificate of public convenience and necessity to provide intrastate data telecommunications services on an interexchange and intraexchange basis throughout the Commonwealth of Virginia. By its second amendment to the application, filed on February 26, 1996, !NTERPRISE clarified that it was requesting two certifications, one to provide interexchange services, and one to provide intraexchange services. On April 1, 1996, the Company filed its third amendment seeking to narrow the geographic scope of its originally requested service area from the entire Commonwealth of Virginia to only the greater Richmond metropolitan area.

The Applicant initially plans to offer two telecommunications services namely, (1) Frame Relay Service; and (2) Transparent LAN Service. !NTERPRISE requests authority to provide these services at rates that are determined on an individual case basis ("ICB"). In addition, the Applicant requests a waiver of §§ 3(A), 3(E), 4, 6, and 7 of the Commission's Rules for Local Exchange Telephone Competition as adopted in Case No. PUC950018 ("Local Rules"), because !NTERPRISE will not be offering switched local exchange services.

By order dated March 13, 1996, and as amended on April 2, 1996, the Commission directed the Applicant to provide notice to the public of its application, directed the Commission Staff ("Staff") to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to !NTERPRISE's application to provide intraexchange services.

On May 30, 1996, the Staff filed its report, finding that !NTERPRISE's application was in compliance with the Commission's Rules Governing the Certification of Interexchange Carriers, as amended in Case No. PUC850035, and its Local Rules. Therefore, the Staff found it appropriate to recommend granting an interexchange certificate to !NTERPRISE. Staff further recommended that the certificate for intraexchange (local) service should be granted subject to certain conditions, (1) Commission approval of ICB pricing authority would apply only to !NTERPRISE's Frame Relay and Transparent LAN Services; and (2) granting a waiver from Sections 3(A), 3(E), 6 and 7 of the Local Rules would only apply to !NTERPRISE's provision of data or non-switched services.[1]

[1] The Staff concluded that the Applicant's request for a waiver of §4 of the Local Rules was not necessary because §4(B) is the applicable section which allows a new entrant to petition the Commission for alternative tariffing treatment for any specific service. Therefore, the Staff recommended that Commission approval is an appropriate remedy for granting alternative tariffing treatment rather than granting a waiver of §4 of the Rules.

On May 3, 1996, Bell Atlantic-Virginia, Inc. ("BA-VA") filed a Notice of Protest objecting to !NTERPRISE's request for ICB treatment because, if such a request would be granted, the actual prices charged for services would not be listed in !NTERPRISE's tariffs resulting in prejudice against BA-VA. On May 16, 1996, BA-VA filed a letter saying it decided not to pursue its Notice of Protest. As a result, BA-VA did not file a Protest or testimony and withdrew from participation in this matter. No objections were received with regard to !NTERPRISE's application to provide interexchange services.

A hearing was conducted on June 11, 1996. !NTERPRISE filed proof of publication and proof of service as required by the March 13, 1996, scheduling order. At the hearing, the application and accompanying exhibits, the amendments to the application, the Applicant's prefiled testimony, and the Staff Report were entered into the record without objection by the parties.

Having considered the application as amended and the Staff Report, the Commission finds that !NTERPRISE's application should be granted subject to the conditions recommended by the Staff. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) !NTERPRISE-AlterNet of Virginia Data Communications is hereby granted a certificate of public convenience and necessity, No. TT-25A, to provide interexchange services subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) !NTERPRISE-AlterNet of Virginia Data Communications is hereby granted a certificate of public convenience and necessity, No. T-361, to provide local telecommunications services subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(3) The Applicant's certificate of public convenience and necessity to provide local telecommunications services is subject to the condition that Commission approval granted herein of individual case basis pricing authority applies only to !NTERPRISE's initial proposed service offerings of Frame Relay and Transparent LAN Services. Subsequent Commission approval will be necessary for such authority for any new services.

(4) The Applicant's certificate of public convenience and necessity to provide local telecommunications services in the form of data or non-switched services is subject to a waiver of Sections 3(A), 3(E), 6, and 7 of the Commission's Rules for Local Exchange Telephone Competition.

(5) !NTERPRISE shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations. A copy of any ICB contract must be filed on a proprietary basis with the Division of Communications.

(6) There being nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.

CASE NO. PUC960002
MARCH 25, 1996

PETITION OF
WASHINGTON & LEE UNIVERSITY

For a waiver of § 1 of the Rules Governing Sharing or Resale of Local Exchange Service

ORDER GRANTING WAIVER

On January 5, 1996, The Washington and Lee University ("W&L") filed a petition for a waiver of the contiguous property provision of the Commission's Rules Governing Sharing or Resale of Local Exchange Service ("Rules"). W&L sought this waiver in order to extend campus-wide voice and data network services to fraternity and faculty housing owned by W&L, some of which are located several blocks from the campus. W&L seeks to provide shared tenant service ("STS") to the properties identified on Exhibit A of W&L's petition.

In support of its petition, W&L asserts that providing voice services to the fraternities and faculty housing would integrate those students and faculty with the campus for voice mail and internal dialing. Further, W&L asserts that the waiver is consistent with the spirit of the Rules because W&L owns all of the buildings described in the petition.

On February 5, 1996, the Commission issued an order inviting responses from Central Telephone Company of Virginia ("Centel") and the City of Lexington ("Lexington").

On March 15, 1996, Centel and Lexington filed responses to W&L's petition. In its response, Centel states that it does not oppose the waiver based on the facts and representations contained in the petition. However, Centel urges the Commission to uphold the contiguous property requirement in other situations where the noncontiguous property is neither owned nor controlled by the STS provider.

In its response, Lexington requests that the Commission grant W&L's petition for a waiver, on the condition that W&L shall compensate Lexington for lost tax revenues. Lexington asserts that W&L indicated it will pay an amount sufficient to compensate Lexington for lost tax revenues.

Section 1 of the Rules provides:

> The tariffs of Virginia local exchange companies shall not prohibit any persons from subscribing to local exchange business telecommunications service and facilities and privately reoffering those communication services and facilities to persons or entities occupying buildings or facilities that are within specifically

identified contiguous property areas (even if the contiguous area is intersected by public thoroughfares or rights-of-way) and are either (a) under common ownership, which is either the same owners, common general partners, or common principal equity investors or (b) within a common development which is either an office or commercial complex, a shopping center, an apartment or condominium or cooperative complex, an airport, a hotel or motel, a college or university, or a complex consisting of mixed uses of the types heretofore described, but not to include residential subdivisions consisting of single-family detached dwellings. Such private reoffering shall hereinafter be referred to as "shared tenant service."

Section 2 of the Rules allows an STS provider to petition the Commission for a waiver of the requirements in § 1 of the Rules, and it allows the Commission to grant a waiver upon finding that the public interest is served.

Having considered the matter, the Commission is of the opinion and finds that a limited waiver is in the public interest and should be granted. W&L owns the fraternity and faculty housing described in the petition, and providing integrated telecommunications services to students and faculty residing on university property is in the public interest. Further, Centel and Lexington do not oppose the requested waiver. This waiver is limited to the facts and circumstances presented in the petition and shall not in any respect be considered a relaxation of the contiguous property requirement in the Commission's Rules for any other purposes. Accordingly,

IT IS ORDERED THAT:

(1) The waiver requested by W&L is hereby granted.

(2) There being nothing further to come before the Commission, this matter shall be dismissed.

CASE NO. PUC960003
JUNE 28, 1996

APPLICATION OF
JONES TELECOMMUNICATIONS OF VIRGINIA, INC.

For a certificate of public convenience and necessity to provide local exchange telephone services

FINAL ORDER

On February 20, 1996, Jones Telecommunications of Virginia, Inc. ("Jones" or "Applicant") filed an application with the State Corporation Commission for a certificate of public convenience and necessity ("certificate") to provide local exchange telecommunications services within the City of Alexandria, Virginia, and within the Virginia Counties of Arlington, Prince William, and Fairfax, including all cities and incorporated areas within those counties. By order of April 1, 1996, the Commission directed Jones to provide notice to the public of its application, directed the Commission Staff ("Staff") to conduct an investigation and file a report, and scheduled a public hearing.

On June 6, 1996, the Staff filed its report, which stated that Jones's application was in compliance with the Commission's Rules for Local Exchange Telephone Competition ("Rules") as adopted in Case No. PUC950018. The Staff noted that Jones had submitted illustrative tariffs that did not include rate levels. The Applicant had stated that it was unable to specify rates for services as interconnection negotiations were not yet completed with Bell Atlantic-Virginia, Inc. ("BA-VA"). BA-VA and Jones have since filed a negotiated interconnection agreement with the Commission for our review under the Telecommunications Act of 1996. In its report, the Staff indicated that once rates are established and complete tariffs are filed, it will perform a review of the tariffs to ensure compliance with Commission rules and regulations.

A hearing was conducted on June 26, 1996. Jones has filed proof of publication and proof of service as required by the April 1, 1996 Order. At the hearing, the application and the Staff Report were entered into the record without objection by the parties.

Having considered the application and the Staff Report, the Commission finds that Jones's application should be granted. Accordingly,

IT IS ORDERED THAT:

(1) Jones Telecommunications of Virginia, Inc. is hereby granted a certificate of public convenience and necessity, No. T-362, to provide local exchange telecommunications services within the City of Alexandria, Virginia, and within the Virginia Counties of Arlington, Prince William, and Fairfax, including all cities and incorporated areas within those counties, subject to the restrictions set out in the Commission's Rules for Local Exchange Telephone Competition and Virginia Code § 56-265.4:4.

(2) Jones shall provide tariffs to the Commission's Division of Communications which conform with all Commission rules and regulations.

(3) There being nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.

CASE NO. PUC960006
JUNE 28, 1996

APPLICATION OF
AT&T COMMUNICATIONS OF VIRGINIA, INC.

To amend its Certificate of Public Convenience and Necessity to Provide Local Exchange Telecommunications Services

ORDER

On February 29, 1996, AT&T Communications of Virginia, Inc. ("AT&T" or "Applicant") filed an application with the State Corporation Commission to amend its certificate of public convenience and necessity ("certificate") in order to provide local exchange telecommunications services throughout the Commonwealth of Virginia. By order dated April 1, 1996, the Commission directed AT&T to provide notice to the public of its application, directed the Commission Staff ("Staff") to conduct an investigation and file a report, and scheduled a public hearing.

On June 6, 1996, the Staff filed its report, which stated that AT&T's application is in compliance with the Commission's Rules for Local Exchange Telephone Competition as adopted in Case No. PUC950018. The Staff noted that AT&T submitted illustrative tariffs that did not include rate levels. The Applicant stated that actual rates cannot be determined until interconnection arrangements have been secured and compensation issues have been resolved. In its report, the Staff indicated that once rates are established and complete tariffs are filed, it will review the tariffs to ensure compliance with Commission rules and regulations. In addition, the Staff noted that for administrative reasons, AT&T should be granted a new certificate for local exchange services. AT&T requested an amendment to its interexchange certificate.

A hearing was conducted on June 26, 1996. AT&T filed proof of publication and proof of service as required by the April 1, 1996 order. At the hearing, the application and the Staff Report were entered into the record without objection.

Having considered the application and the Staff Report, the Commission finds that AT&T's application should be granted. Accordingly,

IT IS ORDERED THAT:

(1) AT&T Communications of Virginia, Inc. is hereby granted a certificate of public convenience and necessity, No. T-363, to provide local exchange telecommunications services subject to the restrictions set out in the Commission's Rules for Local Exchange Telephone Competition and Virginia Code § 56-265.4:4.

(2) AT&T shall provide tariffs to the Commission's Division of Communications which conform with all Commission rules and regulations.

(3) There being nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.

CASE NO. PUC960009
JUNE 3, 1996

APPLICATION OF
COX FIBERNET ACCESS SERVICES, INC.

For a certificate of public convenience and necessity to provide intrastate interexchange telecommunications services and to have its rates determined competitively

ORDER GRANTING INTEREXCHANGE CERTIFICATE

On March 5, 1996, Cox Fibernet Access Services, Inc. ("Cox Access") filed an application for a certificate to provide intrastate interexchange telecommunications services throughout Virginia and to have its rates determined competitively pursuant to §§ 56-265.4:4(B) and 56-481.1 of the Code of Virginia. On March 20, 1996, Cox Fibernet Commercial Services, Inc. ("Cox Commercial") filed an application for a certificate to provide local exchange telephone services within the Norfolk LATA and throughout the greater Roanoke area.

On April 24, 1996, the Commission issued its order for notice and hearing in which it consolidated the two applications into Case No. PUC960009. The Commission ordered Cox Access and Cox Commercial to publish statewide public notice on or before May 10, 1996, and invited interested persons to file comments or objections on or before May 20, 1996. The notice also stated that the Commission may grant the certificate to provide interexchange services without a hearing "if no substantive objections to Cox Access's application are received." No comments or objections have been filed.

On May 21, 1996, Cox Access filed a motion requesting expedited consideration of the application of Cox Access for an interexchange certificate. In support of its motion, Cox Access stated that it has already received requests for service, and it needs to begin providing service by June, 1996.

NOW HAVING CONSIDERED the application, the lack of objections, and the pending motion for expedited consideration, the Commission finds that Cox Access's application should be granted. Accordingly,

IT IS ORDERED THAT:

(1) Cox Fibernet Access Services, Inc. is hereby granted a certificate of public convenience and necessity, No. TT-24A, to provide interexchange services subject to the restrictions set out in the Commission's Rules Governing the Certification of Interexchange Carriers and in § 56-265.4:4 of the Code of Virginia.

(2) Cox Access shall file with the Division of Communications three (3) copies of tariffs for its services that conform with the Commission's Rules and Regulations.

(3) Such conforming tariffs filed by Cox Access may become effective upon the date of this order or any subsequent date chosen by Cox Access.

(4) Changes in Cox Access's tariff shall be accomplished as set forth in Rule 11 of the Commission's Rules Governing the Certification of Interexchange Carriers.

(5) This order shall not alter the procedural schedule set forth in the Commission's April 24, 1996 order as it relates to Cox Commercial's application for a certificate to provide local exchange telephone services.

CASE NO. PUC960009
JULY 22, 1996

APPLICATION OF
COX FIBERNET COMMERCIAL SERVICES, INC.

For a Certificate of Public Convenience and Necessity to Provide Local Exchange Telecommunications Services

ORDER

On March 20, 1996, Cox Fibernet Commercial Services, Inc. ("Cox Fibernet" or "Applicant") filed an application with the State Corporation Commission for a certificate of public convenience and necessity ("certificate") in order to provide local exchange telecommunications services within the Norfolk LATA and throughout the greater Roanoke metropolitan area, including surrounding counties. By order dated April 24, 1996, the Commission directed Cox Fibernet to provide notice to the public of its application, directed the Commission Staff ("Staff") to conduct an investigation and file a report, and scheduled a public hearing.

On June 28, 1996, the Staff filed its report, which stated that Cox Fibernet's application is in compliance with the Commission's Rules for Local Exchange Telephone Competition as adopted in Case No. PUC950018. The Staff noted that Cox Fibernet submitted illustrative tariffs that did not include rate levels. The Applicant stated that actual rates cannot be determined until interconnection arrangements have been secured and compensation issues have been resolved. In its report, the Staff indicated that once rates are established and complete tariffs are filed, it will review the tariffs to ensure compliance with Commission rules and regulations. Staff noted that it does not support the Applicant's request for alternative regulation, and instead believes that Cox Fibernet should be subject to price ceilings.

A hearing was conducted on July 15, 1996. Cox Fibernet filed proof of publication and proof of service as required by the April 24, 1996 order. At the hearing, the application and the Staff Report were entered into the record without objection.

Having considered the application and the Staff Report, the Commission finds that Cox Fibernet's application should be granted. Accordingly,

IT IS ORDERED THAT:

(1) Cox Fibernet Commercial Services, Inc. is hereby granted a certificate of public convenience and necessity No. T-364, to provide local exchange telecommunications services subject to the restrictions set out in the Commission's Rules for Local Exchange Telephone Competition and Virginia Code § 56-265.4:4.

(2) Cox Fibernet shall provide tariffs to the Commission's Division of Communications which conform with all Commission rules and regulations, including the price ceiling rate plan described in § 4.C of the Commission's Rules for Local Exchange Telephone Competition.

(3) There being nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.

CASE NO. PUC960010
MARCH 21, 1996

PETITION OF
AT&T COMMUNICATIONS OF VIRGINIA, INC.

For authority to reduce intraLATA prices within the territory served by Bell Atlantic-Virginia, Inc.

ORDER GRANTING AUTHORITY

On March 7, 1996, AT&T Communications of Virginia, Inc. ("AT&T") filed its petition asking the Commission either to: (1) eliminate the ban on AT&T's "geographic deaveraging" as no longer necessary; (2) clarify that the ban applies only to AT&T's interLATA services; (3) clarify that "geographic deaveraging" does not preclude AT&T from having a different intraLATA toll schedule for each Local Exchange Company's ("LEC's") territory, provided prices are averaged within the territory of each LEC; or (4) irrespective of its decision on items (1), (2), or (3), approve AT&T's plans to reduce intraLATA prices in Bell Atlantic-Virginia, Inc.'s ("BA-VA") territory as being in the public interest.

The ban on geographic deaveraging was contained in the Commission's order of August 22, 1984, which granted authority for AT&T and others to provide interLATA interexchange service with competitive pricing. Applications of SouthernTel of Virginia, Inc., et al, 1984 SCC Ann. Rept. 333, 62 PUR4th 245. When AT&T was given authority to provide intraLATA services, no such restriction on geographic deaveraging was included. Commonwealth of Virginia, ex rel. State Corporation Commission Ex Parte Investigation of competition for intraLATA, interexchange telephone service, Case No. PUC850035, Order entered July 24, 1995. Hence, the Commission has determined that AT&T is correct that the ban applies only to its interLATA services and thus no further Commission action is needed[1]

Accordingly, IT IS THEREFORE ORDERED THAT this case is dismissed for the reasons stated above and the papers filed herein shall be placed in the file for ended causes.

[1] However, the Commission does have a concern brought on by the Telecommunications Act of 1996, Public Law 104-104. Pursuant to the provisions of Section 254(g) of that Act, the Federal Communications Commission ("FCC") will adopt rules within six months of February 8, 1996, that require interexchange rates in rural and high cost areas to be no higher than those provided in urban areas. The statute also mandates that interstate providers average rates from state to state. In the event that the rules of the FCC should contradict the pricing established by AT&T in this tariff, AT&T will be required to bring its intrastate interexchange rates into compliance.

CASE NO. PUC960011
JULY 16, 1996

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement extended local service from its Lynchburg Exchange to its Stone Mountain Exchange

FINAL ORDER

On March 11, 1996, Bell Atlantic-Virginia, Inc.("BA-VA" or "the Company") filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of § 56-484.2. The Company proposed to notify its Lynchburg exchange subscribers of the increases in monthly rates that would be necessary to extend their local service to include the Stone Mountain exchange. Stone Mountain subscribers voted in favor of local calling to Lynchburg in a poll conducted in response to a petition filed pursuant to § 56-484.2. By order of April 1, 1996, the Commission directed BA-VA to publish notice of the proposed increase. Comments or requests for hearing were due on or before May 28, 1996.

On June 14, 1996, the Division of Communications submitted its report referring to the notice that was published by BA-VA and stating that no comments or requests for hearing had been received. The Commission has determined that pursuant to the provisions of § 56-484.2A of the Code of Virginia, no poll was required of the Lynchburg exchange because the proposed rate increase for one-party residential flat rate service does not exceed five percent of the current monthly rate for such service. The Commission need not convene a hearing unless requested by the lesser of five percent or 150 customers in the Lynchburg exchange, as provided in § 56-484.2C of the Code of Virginia. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service from the Company's Lynchburg exchange to the Stone Mountain exchange may be implemented as soon as the Federal Communications Commission grants BA-VA authority to carry traffic across the LATA boundary.

(2) BA-VA may implement the tariff revisions necessary for the proposed extension of local service.

(3) There being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC960012
JUNE 28, 1996

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement extended local service from the Waverly exchange to the Claremont exchange of GTE South, Incorporated

FINAL ORDER

On March 18, 1996, Bell Atlantic-Virginia, Inc. ("BA-VA" or "the Company") filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of Va. Code § 56-484.2, proposing to notify the Company's Waverly exchange subscribers of the increases in monthly rates that would be necessary to extend their local service to include the Claremont exchange of GTE South, Incorporated ("GTE"). A poll of Waverly subscribers was not required under Va. Code § 56-484.2(A) because the proposed rate increase for one-party residential customers did not exceed five percent (5%) of the existing monthly one-party residential flat rate. By order dated April 4, 1996, the Commission directed BA-VA to publish notice of the proposed increase. Affected telephone customers were given until May 29, 1996, to file comments or request a hearing on the proposal. No comments or requests for hearing were received.

On May 29, 1996, the Company filed proof of notice as required by the Commission's order of April 4, 1996.

On June 14, 1996, the Commission Staff ("Staff") submitted its report regarding the Company's application. The Staff recommended that BA-VA's application to implement extended local service from its Waverly exchange to GTE's Claremont exchange be approved. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service from BA-VA's Waverly exchange to GTE's Claremont exchange shall be implemented.

(2) The Company shall implement the tariff revisions necessary for this proposed extension of local service.

(3) This matter shall be dismissed and the papers shall be placed in the Commission's file for ended causes.

CASE NO. PUC960013
AUGUST 16, 1996

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement extended local service from the Salem exchange to the Christiansburg exchange

FINAL ORDER

On March 18, 1996, Bell Atlantic-Virginia, Inc. ("BA-VA" or "the Company") filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of Virginia Code § 56-484.2, proposing to notify the Company's Salem subscribers of the increases in monthly rates that would be necessary to extend their local service to include the Christiansburg exchange. Since the increase associated with extended local service ("ELS") from Salem to Christiansburg will be the only increase associated with ELS during the twelve month period prior to implementation, and the increase itself is below five percent (5%), no subscriber poll was necessary under Virginia Code § 56-484.2. By order dated May 13, 1996, the Commission directed BA-VA to publish notice of the proposed increase. Affected telephone customers were given until July 24, 1996, to file comments or request a hearing on the proposal. No comments or requests for hearing were received.

On July 9, 1996, the Company filed proof of notice as required by the Commission's Order of May 13, 1996.

On August 6, 1996, the Commission Staff ("Staff") submitted its report regarding the Company's application. The Staff recommended that BA-VA's application to implement ELS from its Salem exchange into its Christiansburg exchange be approved. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) On or after November 1, 1996, the proposed extension of local service from BA-VA's Salem exchange into its Christiansburg exchange shall be implemented.

(2) The Company shall implement the tariff revisions necessary for this proposed extension of local service.

(3) This matter shall be dismissed and the papers shall be placed in the Commission's file for ended causes.

CASE NO. PUC960014
JUNE 28, 1996

APPLICATION OF
GTE SOUTH INCORPORATED

To implement extended local service from its Tazewell exchange to its Jewell Ridge exchange

FINAL ORDER

On March 20, 1996, GTE South Incorporated ("GTE" or "the Company") filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of Va. Code § 56-484.2, proposing to notify the Company's Tazewell exchange subscribers of the increases in monthly rates that would be necessary to extend their local service to include the Jewell Ridge exchange. A poll of Tazewell subscribers was not required under Va. Code § 56-484.2(A) because the proposed rate increase for one-party residential customers did not exceed five percent (5%) of the existing monthly one-party residential flat rate. By order dated April 9, 1996, the Commission directed GTE to publish notice of the proposed increase. Affected telephone customers were given until June 7, 1996, to file comments or request for hearing on the proposal. No comments or requests for hearing were received.

On June 5, 1996, the Company filed proof of notice as required by the Commission's order of April 9, 1996.

On June 14, 1996, the Commission Staff ("Staff") submitted its report regarding the Company's application. The Staff recommended that GTE's application to implement extended local service from its Tazewell exchange into its Jewell Ridge exchange be approved. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service from GTE's Tazewell exchange into its Jewell Ridge exchange shall be implemented.

(2) The Company shall implement the tariff revisions necessary for this proposed extension of local service.

(3) This matter shall be dismissed and the papers shall be placed in the Commission's file for ended causes.

CASE NO. PUC960016
DECEMBER 19, 1996

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.

For a certificate of public convenience and necessity to provide interexchange telecommunications services and to have its rates determined competitively

FINAL ORDER

On March 22, 1996, United Telephone-Southeast, Inc. ("United" or "Applicant") filed an application with the State Corporation Commission ("Commission") for a certificate of public convenience and necessity to provide inter-LATA, interexchange telecommunications service to end users throughout Virginia and to have its rates determined competitively. By order of April 12, 1996, the Commission directed United to provide notice to the public of its application and invited interested persons to file objections on or before May 30, 1996.

On May 30, 1996, AT&T Communications of Virginia ("AT&T") and MCI Telecommunications Corporation of Virginia ("MCI") filed Protests. By Order dated July 12, 1996, the Commission assigned this case to a Hearing Examiner and scheduled a hearing on October 7, 1996. On October 2, 1996, the parties filed a joint motion to amend the application and pleadings, and to withdraw the requests for hearing.

On October 4, 1996, the Hearing Examiner issued a ruling which withdrew the Protests on the condition that United give the Protestants at least 30 days written notice before the effective date of any tariff filing proposing to offer inter-LATA message toll service to end users. In addition, the Hearing Examiner canceled the scheduled hearing.

On November 25, 1996, the Hearing Examiner issued a Final Report containing his findings and recommendations. The Examiner found that United met the requirements set forth in the Commission's Rules and recommended that the Commission grant United a certificate to provide inter-LATA, interexchange telecommunications services.

IT IS ORDERED THAT:

(1) United Telephone-Southeast, Inc. is hereby granted a certificate of public convenience and necessity, No. TT-31A, to provide interLATA, interexchange services subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interchange Carriers and in § 56-265.4:4 of the Code of Virginia.

(2) United shall file with the Commission's Division of Communications three (3) copies of tariffs for its services that conform with the Commission's Rules and Regulations.

(3) Such conforming tariffs may become effective upon the date of this order or any subsequent date chosen by United.

(4) Changes in United's tariff shall be accomplished as set forth in Rule 11 of the Commission's Rules Governing the Certification of Interexchange Carriers.

(5) Should United desire to provide intraLATA, interexchange services within the Commonwealth outside its local territory, a certificate amendment will be necessary.

(6) United shall provide at least 30 days written notice by hand delivery or overnight express mail to AT&T and MCI before the effective date of any tariff filing proposing to offer inter-LATA message toll service to end users.

(7) 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. PUC960017
DECEMBER 19, 1996

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

To amend its certificate of public convenience and necessity to provide interexchange telecommunications service to end users throughout Virginia and to have its rates determined competitively

FINAL ORDER

On March 27, 1996, Central Telephone Company of Virginia ("Centel" or "Applicant") filed an application with the State Corporation Commission ("Commission") to amend its certificate of public convenience and necessity to provide interLATA, interexchange telecommunications service to end users throughout Virginia and to have its rates determined competitively. Centel currently holds a certificate to provide interexchange services to other carriers over its facilities in its local exchange territory. By order of April 12, 1996, the Commission directed Centel to provide notice to the public of its application and invited interested persons to file objections on or before May 30, 1996.

On May 30, 1996, AT&T Communications of Virginia ("AT&T") and MCI Telecommunications Corporation of Virginia ("MCI") filed Protests. By Order dated July 12, 1996, the Commission assigned this case to a Hearing Examiner and scheduled a hearing on October 7, 1996. On October 2, 1996, the parties filed a joint motion to amend the application and pleadings, and to withdraw the requests for hearing.

On October 4, 1996, the Hearing Examiner issued a ruling which withdrew the Protests on the condition that Centel give the Protestants at least 30 days written notice before the effective date of any tariff filing proposing to offer interLATA message toll service to end users. In addition, the Hearing Examiner canceled the scheduled hearing.

On November 25, 1996, the Hearing Examiner issued a Final Report containing his findings and recommendations. The Examiner found that Centel met the requirements set forth in the Commission's Rules and recommended that the Commission grant Centel a certificate to provide interLATA, interexchange telecommunications services.

IT IS ORDERED THAT:

(1) Central Telephone Company of Virginia is hereby granted amended certificate of public convenience and necessity No. TT-16B to provide interLATA, interexchange services subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interchange Carriers and in § 56-265.4:4 of the Code of Virginia. Certificate No. TT-16A, issued on October 1, 1990, is hereby canceled.

(2) Centel shall file with the Commission's Division of Communications three (3) copies of tariffs for its services that conform with the Commission's Rules and Regulations.

(3) Such conforming tariffs may become effective upon the date of this order or any subsequent date chosen by Centel.

(4) Changes in Centel's tariff shall be accomplished as set forth in Rule 11 of the Commission's Rules Governing the Certification of Interexchange Carriers.

(5) Should Centel desire to provide intraLATA, interexchange services within the Commonwealth outside its local territory, a certificate amendment will be necessary.

(6) Centel shall provide at least 30 days written notice by hand delivery or overnight express mail to AT&T and MCI before the effective date of any tariff filing proposing to offer interLATA message toll service to end users.

(7) 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. PUC960019
NOVEMBER 6, 1996

APPLICATION OF
LDDS WORLDCOM

To cancel the certificate and tariff of Metromedia Communications Corporation of Virginia

ORDER CANCELING CERTIFICATE

By letter dated December 20, 1995, LDDS Communications, Inc. ("LDDS"), a reseller of interexchange services in Virginia, notified the Commission of a corporate name change. LDDS stated that its new name will be WorldCom, Inc. d/b/a LDDS WorldCom. LDDS also noted that WilTel of Virginia, Inc., a facilities-based subsidiary of LDDS, changed its name to Virginia WorldCom, Inc., and that a tariff was filed reflecting the name change.

LDDS stated that it has a second facilities-based subsidiary in Virginia, Metromedia Communications Corp. of Virginia d/b/a LDDSMetromedia Communications ("Metromedia"). That entity has a tariff in effect.

On April 1, 1996, LDDS WorldCom filed a request to cancel the interexchange certificate and tariff of Metromedia. LDDS WorldCom asserts that the certificate held by Metromedia is for a facilities-based provider, and because of a merger, all facilities-based services in Virginia formerly offered by Metromedia are now provided by Virginia WorldCom, Inc. (f/k/a WilTel of Virginia, Inc.). In addition, LDDS states that former Metromedia customers have been migrated to LDDS WorldCom over an extended period of time, and all resold services are currently provided by LDDS WorldCom. Therefore, according to LDDS WorldCom, the Metromedia certificate and tariff are no longer needed.

On April 24, 1996, the Commission issued an order requiring LDDS WorldCom to notify its customers about its request to cancel the Metromedia certificate and tariff, and allowing the customers the opportunity to comment on the matter. No comments were filed.

NOW HAVING CONSIDERED the matter, the Commission is of the opinion and finds that the Metromedia interexchange carrier certificate and tariff should be canceled. Accordingly,

IT IS ORDERED THAT:

(1) The interexchange carrier certificate and tariff of LDDS Metromedia Communications are hereby canceled.

(2) This matter is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC960026
AUGUST 16, 1996

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement extended local service from the Roanoke exchange to the Christiansburg exchange

FINAL ORDER

On April 29, 1996, Bell Atlantic-Virginia, Inc. ("BA-VA" or "the Company") filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of Virginia Code § 56-484.2, proposing to notify the Company's Roanoke subscribers of the increases in monthly rates that would be necessary to extend their local service to include the Christiansburg exchange. Since the increase associated with extended local service ("ELS") from Roanoke to Christiansburg will not cause the one-party residential flat rate to be increased, in the aggregate, greater than the statutory maximum of five percent (5%) in the prior twelve-month period, no subscriber poll was necessary under Virginia Code § 56-484.2 By order dated May 13, 1996, the Commission directed BA-VA to publish notice of the proposed increase. Affected telephone customers were given until July 24, 1996, to file comments or request a hearing on the proposal. No comments or requests for hearing were received.

On July 9, 1996, the Company filed proof of notice as required by the Commission's Order of May 13, 1996.

On August 6, 1996, the Commission Staff ("Staff") submitted its report regarding the Company's application. The Staff recommended that BA-VA's application to implement ELS from its Roanoke exchange into its Christiansburg exchange be approved. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) On or after November 1, 1996, the proposed extension of local service from BA-VA's Roanoke exchange into its Christiansburg exchange shall be implemented.

(2) The Company shall implement the tariff revisions necessary for this proposed extension of local service.

(3) This matter shall be dismissed and the papers shall be placed in the Commission's file for ended causes.

CASE NO. PUC960051
SEPTEMBER 12, 1996

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement extended local service from its Poquoson zone of the Newport News Metropolitan Exchange Area to GTE South, Inc.'s Hayes exchange

FINAL ORDER

On May 8, 1996, Bell Atlantic-Virginia, Inc. ("BA-VA") filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of Virginia Code § 56-484.2. BA-VA proposed to notify its subscribers in the Poquoson zone of the Newport News Metropolitan Exchange Area ("NNMEA") of the increases in monthly rates that would be necessary to extend their local service to include the Hayes exchange of GTE South, Inc. ("GTE"). By order of June 13, 1996, the Commission directed BA-VA to publish notice of the proposed increases. Comments or requests for hearing were due on or before August 12, 1996.

On August 30, 1996, the Division of Communications submitted its report referring to the notice that was published by BA-VA, and stating that five customers filed comments in favor of the service. No comments in opposition or requests for a hearing were filed. The Commission determined that, pursuant to the provisions of § 56-484.2A of the Code of Virginia, a poll was not required because the proposed rate increase for one party residential flat rate service would not exceed 5% of the current monthly rate for such service. The Commission need not convene a hearing unless requested by the lesser of 5% or 150 customers in the Poquoson zone of the NNMEA, as provided in § 56-484.2C of the Code of Virginia. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service for BA-VA's Poquoson zone of the NNMEA to the Hayes exchange of GTE may be implemented in a manner suitable to the two companies.

(2) The two companies shall implement the tariff revisions necessary for the proposed extension of local service.

(3) There being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC960052
SEPTEMBER 12, 1996

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement extended local service from its Newport News zone of the Newport News Metropolitan Exchange area to GTE South Inc.'s Gloucester exchange

FINAL ORDER

On May 8, 1996, Bell Atlantic-Virginia, Inc. ("BA-VA") filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of Virginia Code § 56-484.2. BA-VA proposed to notify its subscribers in the Newport News zone of the Metropolitan Exchange Area ("NNMEA") of the increases in monthly rates that would be necessary to extend their local service to include the Gloucester exchange of GTE South, Inc. ("GTE"). By order of June 13, 1996, the Commission directed BA-VA to publish notice of the proposed increases. Comments or requests for hearing were due on or before August 12, 1996.

On August 30, 1996, the Division of Communications submitted its report referring to the notice that was published by BA-VA, and stating that fifty customers filed comments in favor of the service, three filed comments opposing the service, and no requests for hearing were submitted. The Commission determined that, pursuant to the provisions of § 56-484.2A of the Code of Virginia, a poll was not required because the proposed rate increase for one party residential flat rate service would not exceed 5% of the current monthly rate for such service. The Commission need not convene a hearing unless requested by the lesser of 5% or 150 customers in the Newport News zone of the NNMEA, as provided in § 56-484.2C of the Code of Virginia. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service from BA-VA's Newport News zone of the NNMEA to the Gloucester exchange of GTE may be implemented in a manner suitable to the two companies.

(2) The two companies shall implement the tariff revisions necessary for the proposed extension of local service.

(3) There being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC960053
SEPTEMBER 12, 1996

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement extended local service from its Peninsula zone of the Newport News Metropolitan Exchange Area to GTE South, Inc.'s Hayes exchange

FINAL ORDER

On May 8, 1996, Bell Atlantic-Virginia, Inc. ("BA-VA") filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of Virginia Code § 56-484.2. BA-VA proposed to notify its subscribers in the Peninsula zone of the Newport News Metropolitan Exchange Area ("NNMEA") of the increases in monthly rates that would be necessary to extend their local service to include the Hayes exchange of GTE South, Inc. ("GTE"). By order of June 13, 1996, the Commission directed BA-VA to publish notice of the proposed increases. Comments or requests for hearing were due on or before August 12, 1996.

On August 30, 1996, the Division of Communications submitted its report referring to the notice that was published by BA-VA, and stating that seventeen customers filed comments in favor of the service, one filed comment opposing the service. No requests for a hearing were received. The Commission determined that, pursuant to the provisions of § 56-484.2A of the Code of Virginia, a poll was not required because the proposed rate increase for one party residential flat rate service would not exceed 5% of the current monthly rate for such service. The Commission need not convene a hearing unless requested by the lesser of 5% or 150 customers in the Peninsula zone of the NNMEA, as provided in § 56-484.2C of the Code of Virginia. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service from BA-VA's Peninsula zone of the NNMEA to the Hayes exchange of GTE may be implemented in a manner suitable to the two companies.

(2) The two companies shall implement the tariff revisions necessary for the proposed extension of local service.

(3) There being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC960054
SEPTEMBER 12, 1996

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement extended local service from its Hampton zone of the Newport News Metropolitan Exchange Area to GTE South, Inc.'s Hayes exchange

FINAL ORDER

On May 8, 1996, Bell Atlantic-Virginia, Inc. ("BA-VA") filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of Virginia Code § 56-484.2. BA-VA proposed to notify its subscribers in the Hampton zone of the Newport News Metropolitan Exchange Area ("NNMEA") of the increases in monthly rates that would be necessary to extend their local service to include the Hayes exchange of GTE South, Inc. ("GTE"). By order of June 13, 1996, the Commission directed BA-VA to publish notice of the proposed increases. Comments or requests for hearing were due on or before August 12, 1996.

On August 30, 1996, the Division of Communications submitted its report referring to the notice that was published by BA-VA, and stating that twenty-three customers filed comments on this matter, with twenty favoring the service and three opposing the service. No requests for a hearing were received. The Commission determined that, pursuant to the provisions of § 56-484.2A of the Code of Virginia, a poll was not required in the Hampton zone of the NNMEA because the proposed rate increase for one party residential flat rate service would not exceed 5% of the current monthly rate for such service. The Commission need not convene a hearing unless requested by the lesser of 5% or 150 customers in the Hampton zone of the NNMEA, as provided in § 56-484.2C of the Code of Virginia. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service from BA-VA's Hampton zone of the NNMEA to the Hayes exchange of GTE may be implemented in a manner suitable to the two companies.

(2) The two companies shall implement the tariff revisions necessary for the proposed extension of local service.

(3) There being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC960055
SEPTEMBER 12, 1996

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement extended local service from its Newport News zone of the Newport News Metropolitan Exchange Area to GTE South, Inc.'s Hayes exchange

FINAL ORDER

On May 8, 1996, Bell Atlantic-Virginia, Inc. ("BA-VA") filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of Virginia Code § 56-484.2. BA-VA proposed to notify its subscribers in the Newport News zone of the Newport News Metropolitan Exchange Area ("NNMEA") of the increases in monthly rates that would be necessary to extend their local service to include the Hayes exchange of GTE South, Inc. ("GTE"). By order of June 13, 1996, the Commission directed BA-VA to publish notice of the proposed increases. Comments or requests for hearing were due on or before August 12, 1996.

On August 30, 1996, the Division of Communications submitted its report referring to the notice that was published by BA-VA, and stating that eleven customers filed comments on this matter, with ten favoring the service and one opposing the service. No requests for a hearing were received. The Commission determined that, pursuant to the provisions of § 56-484.2A of the Code of Virginia, a poll was not required in the Newport News zone of the NNMEA because the proposed rate increase for one party residential flat rate service would not exceed 5% of the current monthly rate for such service. The Commission need not convene a hearing unless requested by the lesser of 5% or 150 customers in the Newport News zone of the NNMEA, as provided in § 56-484.2C of the Code of Virginia. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service from BA-VA's Newport News zone of the NNMEA to the Hayes exchange of GTE may be implemented in a manner suitable to the two companies.

(2) The two companies shall implement the tariff revisions necessary for the proposed extension of local service.

(3) There being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC960056
SEPTEMBER 12, 1996

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement extended local service from its Peninsula zone of the Newport News Metropolitan Exchange Area to GTE South, Inc.'s Gloucester exchange

FINAL ORDER

On May 8, 1996, Bell Atlantic-Virginia, Inc. ("BA-VA") filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of Virginia Code § 56-484.2. BA-VA proposed to notify its subscribers in the Peninsula zone of the Newport News Metropolitan Exchange Area ("NNMEA") of the increases in monthly rates that would be necessary to extend their local service to include the Gloucester exchange of GTE South, Inc. ("GTE"). By order of June 13, 1996, the Commission directed BA-VA to publish notice of the proposed increases. Comments or requests for hearing were due on or before August 12, 1996.

On August 30, 1996, the Division of Communications submitted its report referring to the notice that was published by BA-VA, and stating that eighty-two customers filed comments on this matter, with seventy-seven favoring the service and five opposing the service. No requests for a hearing were received. The Commission determined that, pursuant to the provisions of § 56-484.2A of the Code of Virginia, a poll was not required in the Peninsula zone of the NNMEA because the proposed rate increase for one party residential flat rate service would not exceed 5% of the current monthly rate for such service. The Commission need not convene a hearing unless requested by the lesser of 5% or 150 customers in the Peninsula zone of the NNMEA, as provided in § 56-484.2C of the Code of Virginia. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service from BA-VA's Peninsula zone of the NNMEA to the Gloucester exchange of GTE may be implemented in a manner suitable to the two companies.

(2) The two companies shall implement the tariff revisions necessary for the proposed extension of local service.

(3) There being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC960057
SEPTEMBER 12, 1996

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement extended local service from its Hampton zone of the Newport News Metropolitan Exchange Area to GTE South, Inc.'s Gloucester exchange

FINAL ORDER

On May 8, 1996, Bell Atlantic-Virginia, Inc. ("BA-VA") filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of Virginia Code § 56-484.2. BA-VA proposed to notify its subscribers in the Hampton zone of the Newport News Metropolitan Exchange Area ("NNMEA") of the increases in monthly rates that would be necessary to extend their local service to include the Gloucester exchange of GTE South, Inc. ("GTE"). By order of June 13, 1996, the Commission directed BA-VA to publish notice of the proposed increases. Comments or requests for hearing were due on or before August 12, 1996.

On August 30, 1996, the Division of Communications submitted its report referring to the notice that was published by BA-VA, and stating that forty-five customers filed comments on this matter, with thirty-eight favoring the service and seven opposing the service. No requests for a hearing were received. The Commission determined that, pursuant to the provisions of § 56-484.2A of the Code of Virginia, a poll was not required in the Hampton zone of the NNMEA because the proposed rate increase for one party residential flat rate service would not exceed 5% of the current monthly rate for such service. The Commission need not convene a hearing unless requested by the lesser of 5% or 150 customers in the Hampton zone of the NNMEA, as provided in § 56-484.2C of the Code of Virginia. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service from BA-VA's Hampton zone of the NNMEA to the Gloucester exchange of GTE may be implemented in a manner suitable to the two companies.

(2) The two companies shall implement the tariff revisions necessary for the proposed extension of local service.

(3) There being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC960058
SEPTEMBER 12, 1996

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement extended local service from its Poquoson zone of the Newport News Metropolitan Exchange Area to GTE South, Inc.'s Gloucester exchange

FINAL ORDER

On May 8, 1996, Bell Atlantic-Virginia, Inc. ("BA-VA") filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of Virginia Code § 56-484.2. BA-VA proposed to notify its subscribers in the Poquoson zone of the Newport News Metropolitan Exchange Area ("NNMEA") of the increases in monthly rates that would be necessary to extend their local service to include the Gloucester exchange of GTE South, Inc. ("GTE"). By order of June 13, 1996, the Commission directed BA-VA to publish notice of the proposed increases. Comments or requests for hearing were due on or before August 12, 1996.

On August 30, 1996, the Division of Communications submitted its report referring to the notice that was published by BA-VA, and stating that fifteen customers filed comments on this matter, with fourteen favoring the service and one opposing the service. No requests for hearing were filed. The Commission determined that, pursuant to the provisions of § 56-484.2A of the Code of Virginia, a poll was not required in the Poquoson zone of the NNMEA because the proposed rate increase for one party residential flat rate service would not exceed 5% of the current monthly rate for such service. The Commission need not convene a hearing unless requested by the lesser of 5% or 150 customers in the Poquoson zone of the NNMEA, as provided in § 56-484.2C of the Code of Virginia. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service from BA-VA's Poquoson zone of the NNMEA to the Gloucester exchange of GTE may be implemented in a manner suitable to the two companies.

(2) The two companies shall implement the tariff revisions necessary for the proposed extension of local service.

(3) There being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC960059
JULY 31, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of investigating and adopting procedural rules for implementing the Telecommunications Act of 1996

ORDER ADOPTING RULES

By order entered May 21, 1996, the Commission prescribed notice and invited comments regarding procedural rules, which had been prepared by the Commission Staff and denoted as Attachment A of that order, for implementing §§ 251 and 252 of the Telecommunications Act of 1996, Public Law No. 104-104 (47 U.S.C. §§ 251, 252) ("the Act"). On June 24, 1996, comments were received from various parties. No party requested a hearing. On July 19, 1996, the Division of Consumer Counsel, Office of the Attorney General filed a motion to file late comments along with its comments on the procedural rules.

The Commission finds that the expedient adoption of these procedural rules is necessary for it to carry out its obligations under §§ 251 and 252 of the Act. The proposed rules have been amended to reflect some concerns of the commenting parties. For example, the requirement for prefiled direct testimony has been modified in order to provide the flexibility requested by some commenting parties. In addition, the Commission has provided itself more flexibility in these proceedings by recognizing its ability to consolidate cases and issues as well as the ability to grant or deny hearing requests under its discretion. A new provision allowing parties to an arbitrated agreement to file reply comments during the final review process has also been added in response to the comments filed.

The Commission believes the procedural rules, as now amended, will allow the Commission to best fulfill its obligations under §§ 251 and 252 of the Act within the time frames allotted. Therefore, the Commission adopts these rules as final and applies them on a going forward basis to any cases which have heretofore been filed with the Commission under §§ 251 and 252 of the Act.

Some commenting parties expressed concern on not being provided a definition of the term "supporting documentation" as used in the procedural rules. Supporting documentation is all evidence, including any prefiled direct testimony, cost studies, and any other factual material that supports the party's position in the case. When a party requests a hearing or will participate in a hearing, supporting documentation includes all evidence it intends to present at the hearing.

NOW THE COMMISSION, having considered the comments by interested parties and incorporated some changes into the proposed procedural rules, finds it appropriate to adopt the procedural rules in final form and these rules will apply to any present proceedings and future proceedings under §§ 251 and 252 of the Act. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The Commission rules attached hereto as Attachment A are hereby adopted as final pursuant to Virginia Code § 12.1-28 and §§ 251 and 252 of the Telecommunications Act of 1996, Public Law No. 104-104 (47 U.S.C. §§ 251, 252).

(2) Any pending case before the Commission filed under §§ 251 and 252 of the Act shall be bound on a going forward basis to the procedural provisions of these rules adopted herein.

(3) This docket shall remain open in order to facilitate the appropriate service list for interested parties established by the procedural rules in this matter and any amendments to the procedural rules under §§ 251 and 252 of the Act.

NOTE: A copy of Attachment A entitled "Virginia State Corporation Commission Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, 47 U.S.C. §§ 251, 252" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. PUC960059
AUGUST 20, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of investigating and adopting procedural rules for implementing the Telecommunications Act of 1996

ORDER DENYING RECONSIDERATION

On July 31, 1996, the Commission entered an order adopting its Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, 47 U.S.C. §§ 251, 252 ("procedural rules"). On August 5, 1996, Bell Atlantic-Virginia, Inc. ("BA-VA") filed a Petition for Reconsideration ("Petition") of the procedural rules. In its Petition, BA-VA requests the Commission to reconsider Sections C(3), C(4), and C(5) which currently allow third parties to file comments and to participate in any hearing held during an arbitration proceeding. BA-VA claims that the Act does not give third parties a right to participate in the arbitrations, and they may only participate when the arbitrated agreement has been presented to the Commission for final approval. BA-VA is concerned that a third party may only be intervening in an arbitration to improve its competitive position in relation to the parties to the arbitration.

The Commission is aware of the need to balance the arbitrating parties' interests with those of third parties. Therefore, the Commission will act accordingly, as necessary, to address any actions by third parties which may inappropriately delay or are immaterial to the outcome of the arbitration proceedings. Further, the Commission finds that the Act does not prohibit third party participation during the arbitration proceedings.

NOW THE COMMISSION, having considered BA-VA's Petition for Reconsideration and the applicable law, finds that the Petition should be denied. Accordingly,

IT IS THEREFORE ORDERED THAT BA-VA's Petition for Reconsideration is hereby denied.

CASE NO. PUC960063
SEPTEMBER 12, 1996

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

To implement extended local service from its Farmville and Hampden Sydney exchanges to GTE South, Inc.'s Keysville Exchange

FINAL ORDER

On May 22, 1996, Central Telephone Company of Virginia ("Centel") filed an application pursuant to Virginia Code § 56-484.2, proposing to notify its Farmville exchange subscribers of the increases in monthly rates that would be necessary for extending their local service to include the Keysville exchange. GTE South Inc.'s ("GTE") Keysville customers voted in favor of extended local service ("ELS") to Hampden Sydney and Farmville in a poll conducted earlier this year. By order of June 26, 1996, the State Corporation Commission ("Commission") directed Centel to publish notice of the proposed increases. Comments or requests for hearing were due on or before August 26, 1996.

On July 3, 1996, Centel filed a notarized letter with the Commission stating the results of a poll conducted in the Hampden Sydney exchange for extended local service into Keysville. A poll was necessary in Hampden Sydney because the proposed increase for one-party residential service exceeds five percent of the present rate. A majority of the customers responding to the poll favored extended local service into Keysville.

On August 28, 1996, the Division of Communications submitted its report referring to the notice that was published by Centel, and stating that no comments or requests for hearing had been received. The Commission determined that, pursuant to the provisions of § 56-484.2A of the Code of Virginia, a poll was not required in the Farmville exchange because the proposed rate increase for one party residential flat rate service would not exceed five percent of the current monthly rate for such service. The Commission need not convene a hearing unless requested by the lesser of five percent or 150 customers in the Farmville exchange, as provided in § 56-484.2C of the Code of Virginia. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service between Centel's Farmville and Hampden Sydney exchanges and the Keysville exchange of GTE may be implemented in a manner suitable to the two companies.

(2) The two companies shall implement the tariff revisions necessary for the proposed extension of local service.

(3) There being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC960079
AUGUST 8, 1996

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
JONES TELECOMMUNICATIONS OF VIRGINIA, INC.

For approval of interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On June 3, 1996, Bell Atlantic-Virginia, Inc. ("BA-VA") and Jones Telecommunications of Virginia, Inc. ("Jones") (collectively "the Companies") submitted an Agreement for Network Interconnection and Resale, dated May 31, 1996 ("the Agreement"), for Commission approval under § 252(e) of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. § 252(e). On June 7, 1996, the Commission issued an Order Inviting Comments or Requests for Hearing. Several parties filed comments by the deadline of July 8, 1996. No party requested a hearing. The Companies filed their reply comments by the deadline of July 22, 1996.

Under § 252(e)(2)(A) of the Act, 47 U.S.C. § 252(e)(2)(A), the Commission may only reject an interconnection agreement adopted by negotiation if it finds that "(i) the agreement (or portion thereof) discriminates against a telecommunications carrier not a party to the agreement; or (ii) the implementation of such agreement or portion is not consistent with the public interest, convenience, and necessity." One commenting party noted that so long as BA-VA was willing to offer each of the principal components of the Agreement to another competing local exchange carrier, then the Agreement would not be discriminatory. The Commission agrees and finds this position consistent with § 252(i) of the Act, 47 U.S.C. § 252(i). In addition, no

commenting party claimed that the implementation of the Agreement was not consistent with the public interest, convenience, and necessity. Therefore, the Commission finds that the Agreement in this case shall be approved.

The Agreement provides for certain issues to be determined by the parties at a later date. To the extent these future negotiations result in different or new arrangements for interconnection, services, or network elements under § 251 of the Act, 47 U.S.C. § 251, they must be submitted to the Commission for approval under § 252(e) of the Act, 47 U.S.C. § 252(e).

Commenting parties raised concerns on a number of other issues related to the approval of the Agreement. Many parties argued that the Agreement should not be established as a model agreement or a starting point for negotiations, and should not be viewed as a precedent by the Commission. The Commission has reviewed the Agreement under the criteria listed in § 252(e)(2)(A) of the Act, 47 U.S.C. § 252(e)(2)(A). The Commission finds that the Agreement is only directly binding on the Companies and does not specifically impact parties other than BA-VA and Jones.

Another area of concern among the commenting parties was the statement in the Agreement that it complied with the checklist requirements of § 271 of the Act, 47 U.S.C. § 271 ("§ 271 checklist"). A review for compliance with the § 271 checklist is neither required, nor appropriate at this time. Therefore, the Commission has not reviewed the terms of the Agreement for compliance with § 271 of the Act, and does not pass judgment on whether the Agreement meets the requirements of the § 271 checklist.

NOW THE COMMISSION, having considered the Agreement filed in this case, the comments of the interested parties, and the reply comments filed by the Companies, finds that the Agreement should be approved subject to the requirement that future negotiated provisions be submitted to the Commission for approval. Accordingly, IT IS THEREFORE ORDERED THAT:

(1) The Agreement filed by BA-VA and Jones in this case is approved pursuant to § 252(e) of the Act, 47 U.S.C. § 252(e). Any future negotiations which result in a different or new arrangement for interconnection, services, or network elements under § 251 of the Act, 47 U.S.C. § 251, shall be submitted to the Commission for approval under § 252(e) of the Act, 47 U.S.C. § 252(e).

(2) This case shall be dismissed and the papers herein shall be placed in the file for ended causes.

CASE NO. PUC960080
OCTOBER 24, 1996

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement extended local service from its Roanoke exchange to Roanoke and Botetourt Telephone Company's Eagle Rock Exchange

FINAL ORDER

On June 7, 1996, Bell Atlantic-Virginia, Inc. ("BA-VA") filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of Virginia Code § 56-484.2. BA-VA proposed to notify its Roanoke exchange subscribers of the increases in monthly rates that would be necessary to extend their local service to include the Eagle Rock exchange of Roanoke and Botetourt Telephone Company ("R&B"). By order of June 27, 1996, the Commission directed BA-VA to publish notice of the proposed increases. Comments or requests for hearing were due on or before September 16, 1996.

On October 2, 1996, the Division of Communications submitted its report referring to the notice that was published by BA-VA, and stating that no comments or requests for hearing had been received. The Commission determined that, pursuant to the provisions of § 56-484.2A of the Code of Virginia, a poll was not required in the Roanoke exchange because the proposed rate increase for one party residential flat rate service would not exceed 5% of the current monthly rate for such service. The Commission need not convene a hearing unless requested by the lesser of 5% or 150 customers in the Roanoke exchange, as provided in § 56-484.2C of the Code of Virginia. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service from BA-VA's Roanoke exchange to the Eagles Rock exchange of R&B may be implemented in a manner suitable to the two companies.

(2) The two companies shall implement the tariff revisions necessary for the proposed extension of local service.

(3) There being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC960081
OCTOBER 24, 1996

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement extended local service from its Buchanan exchange to Roanoke and Botetourt Telephone Company's Fincastle Exchange

FINAL ORDER

On June 7, 1996, Bell Atlantic-Virginia, Inc. ("BA-VA") filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of Virginia Code § 56-484.2. BA-VA proposed to notify its Buchanan exchange subscribers of the increases in monthly rates that would be necessary to extend their local service to include the Fincastle exchange of Roanoke and Botetourt Telephone Company ("R&B"). By order of June 27, 1996, the Commission directed BA-VA to publish notice of the proposed increases. Comments or requests for hearing were due on or before September 16, 1996.

On October 2, 1996, the Division of Communications submitted its report referring to the notice that was published by BA-VA, and stating that no comments or requests for hearing had been received. The Commission determined that, pursuant to the provisions of § 56-484.2A of the Code of Virginia, a poll was not required in the Buchanan exchange because the proposed rate increase for one party residential flat rate service would not exceed 5% of the current monthly rate for such service. The Commission need not convene a hearing unless requested by the lesser of 5% or 150 customers in the Buchanan exchange, as provided in § 56-484.2C of the Code of Virginia. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service from BA-VA's Buchanan exchange to the Fincastle exchange of R&B may be implemented in a manner suitable to the two companies.

(2) The two companies shall implement the tariff revisions necessary for the proposed extension of local service.

(3) There being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC960083
NOVEMBER 12, 1996

APPLICATION OF
!NTERPRISE-HYPERION OF VIRGINIA DATA COMMUNICATIONS

For a Certificate of Public Convenience and Necessity to Provide Intrastate Data Telecommunications Service

FINAL ORDER

On June 24, 1996, !NTERPRISE-Hyperion of Virginia Data Communications ("!NTERPRISE" or "Applicant") filed an application with the State Corporation Commission for two certificates of public convenience and necessity to provide intrastate data telecommunications services on an interexchange and intraexchange basis within the Charlottesville metropolitan area.

The Applicant initially plans to offer the following three categories of telecommunications services: (1) Private Line Data Interconnect Service, (2) Frame Relay Service, and (3) Transparent LAN Service. !NTERPRISE requests authority to provide these services at rates that are determined on an individual case basis ("ICB"). In addition, the Applicant requests a waiver of Sections 3(A), 3(E), 4, 6, and 7 of the Commission's Rules for Local Exchange Telephone Competition as adopted in Case No. PUC950018 ("Local Rules"), because !NTERPRISE will not be offering switched local exchange services.

By order dated August 15, 1996, the Commission directed the Applicant to provide notice to the public of its application, directed the Commission Staff ("Staff") to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to !NTERPRISE's application to provide intraexchange services.

On October 10, 1996, the Staff filed its report, finding that !NTERPRISE's application was in compliance with the Commission's Rules Governing the Certification of Interexchange Carriers, as amended in Case No. PUC850035, and its Local Rules. Therefore, the Staff recommended granting an interexchange certificate to !NTERPRISE. Staff further recommended that the certificate for intraexchange (local) service should be granted subject to certain conditions, (1) Commission approval of ICB pricing authority would apply only to !NTERPRISE's Frame Relay and Transparent LAN Services; and (2) granting a waiver from Sections 3(A), 3(E), 6, and 7 of the Local Rules would only apply to !NTERPRISE's provision of data or non-switched services.

No written comments or notices of protest were filed. A hearing was conducted on October 18, 1996. !NTERPRISE filed proof of publication and proof of service as required by the August 15, 1996 scheduling order. The application and accompanying exhibits, the Applicant's prefiled testimony, and the Staff Report were entered into the record without objection by the parties.

Having considered the application and the Staff Report, the Commission finds that !NTERPRISE's application should be granted subject to the conditions recommended by the Staff. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) !NTERPRISE-Hyperion of Virginia Data Communications is hereby granted a certificate of public convenience and necessity, No. TT-28A, to provide interexchange services subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers as amended in Case No. PUC850035, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) !NTERPRISE-Hyperion of Virginia Data Communications is hereby granted a certificate of public convenience and necessity, No. T-369, to provide local telecommunications services subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition as adopted in Case No. PUC950018, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(3) The Applicant's certificate of public convenience and necessity to provide local telecommunications services is subject to the condition that Commission approval granted herein of individual case basis pricing authority applies only to !NTERPRISE's initial proposed service offerings of Private Line Data Interconnect, Frame Relay and Transparent LAN Services. Subsequent Commission approval will be necessary for such authority for any new services.

(4) The Applicant's certificate of public convenience and necessity to provide local telecommunications services in the form of data or non-switched services is subject to a waiver of Sections 3(A), 3(E), 6, and 7 of the Commission's Rules for Local Exchange Telephone Competition.

(5) !NTERPRISE shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations. A copy of any ICB contract must be filed on a proprietary basis with the Division of Communications.

(6) There being nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.

CASE NO. PUC960084
DECEMBER 18, 1996

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement additional Community Choice Plan routes

FINAL ORDER

On June 24, 1996, Bell Atlantic-Virginia, Inc. ("BA-VA" or "the Company") filed its application to implement additional Community Choice Plan ("CCP") routes. BA-VA proposes to add routes that would link certain BA-VA exchanges with nearby exchanges belonging to Citizens Telephone Cooperative ("Citizens"), GTE South, Inc. ("GTE"), Sprint/Centel ("Centel"), and certain other BA-VA exchanges. Pursuant to the Commission's order of July 16, 1996, BA-VA furnished direct mail notice to customers living within those exchanges where customers would be regrouped and pay a higher rate as a result of being included in the CCP. Customers in the affected exchanges were permitted to file written comments or requests for hearing with the Clerk of the Commission on or before August 29, 1996.

Based upon the public comments received herein, the Commission finds that it is in the public interest to approve the CCP from BA-VA's Piney River exchange to its Lynchburg exchange and to the Amherst and Sweet Briar exchanges of GTE.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) BA-VA may implement its Community Choice Plan in its Piney River exchange as proposed, pursuant to the tariffs filed herein.

(2) CCP is not approved for the Chatham, Stephens City, Winchester, and Dublin exchanges. Rejection of the CCP for these exchanges shall not preclude customers from seeking extended local service pursuant to the provisions of Va. Code § 56-484.2.

(3) There being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC960085
NOVEMBER 8, 1996

APPLICATION OF
TCG VIRGINIA, INC.

For Certificates of Public Convenience and Necessity to Provide Intrastate Telecommunications Services

ORDER

On June 27, 1996, TCG Virginia, Inc. ("TCG" or "Applicant") filed an application with the State Corporation Commission for a certificate of public convenience and necessity ("certificate") to provide local exchange telecommunications services in all Virginia exchanges in which Bell Atlantic-Virginia and GTE South, Inc. currently provide local exchange service. On August 7, 1996, TCG amended its application to request an interexchange

carrier ("IXC") certificate. By order dated August 20, 1996, the Commission directed TCG to provide notice to the public of its application, directed the Commission Staff ("Staff") to conduct an investigation and file a report, and scheduled a public hearing.

On October 9, 1996, the Staff filed its report, which stated that TCG's application is in compliance with the Commission's Rules for Local Exchange Telephone Competition as adopted in Case No. PUC950018 and with the Commission's Rules Governing the Certification of Interexchange Carriers as adopted in Case No. PUC850035. The Staff noted that TCG submitted illustrative tariffs that did not include rate levels, and that once rates are established and complete tariffs are filed, the Staff will review the tariffs to ensure compliance with Commission rules and regulations.

A hearing was conducted on October 18, 1996. TCG filed proof of publication and proof of service as required by the August 20, 1996 order. At the hearing, the application and the Staff Report were entered into the record without objection.

Having considered the application and the Staff Report, the Commission finds that TCG's application should be granted.

Accordingly, IT IS ORDERED THAT:

(1) TCG Virginia, Inc. is hereby granted a Certificate of Public Convenience and Necessity No. T-365, to provide local exchange telecommunications services subject to the restrictions set out in the Commission's Rules for Local Exchange Telephone Competition and Virginia Code § 56-265.4:4.

(2) TCG is hereby granted a Certificate of Public Convenience and Necessity No. TT-26A, to provide interexchange telecommunications services subject to requirements of the the Commission's Rules Governing the Certification of Interexchange Carriers and Virginia Code § 56-265.4:4.

(3) TCG shall provide tariffs to the Commission's Division of Communications which conform with all Commission rules and regulations.

(4) There being nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.

CASE NO. PUC960086
NOVEMBER 8, 1996

APPLICATION OF
SPRINT COMMUNICATIONS COMPANY OF VIRGINIA, INC.

For a Certificate of Public Convenience and Necessity to Provide Local Exchange Telecommunications Services

ORDER

On June 28, 1996, Sprint Communications Company of Virginia, Inc. ("Sprint" or "Applicant") filed an application with the State Corporation Commission ("Commission") to amend its certificate of public convenience and necessity ("certificate") in order to provide local exchange telecommunications services throughout the Commonwealth of Virginia. By order dated August 9, 1996, the Commission directed Sprint to provide notice to the public of its application, directed the Commission Staff ("Staff") to conduct an investigation and file a report, and scheduled a public hearing.

On October 4, 1996, the Staff filed its report, which stated that Sprint's application is in compliance with the Commission's Rules for Local Exchange Telephone Competition as adopted in Case No. PUC950018. The Staff noted that Sprint submitted illustrative tariffs that did not include rate levels, and that once rates are established and complete tariffs are filed, the Staff will review the tariffs to ensure compliance with Commission rules and regulations. In addition, the Staff noted that for administrative reasons, Sprint should be granted a new certificate for local exchange services instead of an amendment to its existing interexchange certificate.

A hearing was conducted on October 18, 1996. Sprint filed proof of publication and proof of service as required by the August 9, 1996 order. At the hearing, the application and the Staff Report were entered into the record without objection.

Having considered the application and the Staff Report, the Commission finds that Sprint's application should be granted.
Accordingly,

IT IS ORDERED THAT:

(1) Sprint Communications Company of Virginia, Inc. is hereby granted a Certificate of Public Convenience and Necessity, No. T-367, to provide local exchange telecommunications services subject to the restrictions set out in the Commission's Rules for Local Exchange Telephone Competition and Virginia Code § 56-265.4:4.

(2) Sprint shall provide tariffs to the Commission's Division of Communications which conform with all Commission rules and regulations.

(3) There being nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.

CASE NO. PUC960087
NOVEMBER 8, 1996

APPLICATION OF
AMERICAN COMMUNICATIONS SERVICES OF VIRGINIA, INC.

For Certificates of Public Convenience and Necessity to Provide Intrastate Telecommunications Services

ORDER

On June 28, 1996, American Communications Services of Virginia, Inc. ("ACSI" or "Applicant") filed an application with the State Corporation Commission for a certificate of public convenience and necessity ("certificate") to provide local exchange telecommunications services statewide. On July 22, 1996, ACSI amended its application to also request a certificate of public convenience and necessity to provide interexchange carrier ("IXC") services. By order dated August 9, 1996, the Commission directed ACSI to provide notice to the public of its application, directed the Commission Staff ("Staff") to conduct an investigation and file a report, and scheduled a public hearing.

On October 9, 1996, the Staff filed its report, which stated that ACSI's application is in compliance with the Commission's Rules for Local Exchange Telephone Competition as adopted in Case No. PUC950018 and with the Commission's Rules Governing the Certification of Interexchange Carriers as adopted in Case No. PUC850035. The Staff noted that ACSI submitted illustrative tariffs that did not include rate levels, and that once rates are established and complete tariffs are filed, Staff will review the tariffs to ensure compliance with Commission rules and regulations.

A hearing was conducted on October 18, 1996. ACSI filed proof of publication and proof of service as required by the August 9, 1996 order. At the hearing, the application and the Staff Report were entered into the record without objection.

Having considered the application and the Staff Report, the Commission finds that ACSI's application should be granted. Accordingly,

IT IS ORDERED THAT:

(1) American Communications Services of Virginia, Inc. is hereby granted a certificate of public convenience and necessity No. T-366, to provide local exchange telecommunications services subject to the restrictions set out in the Commission's Rules for Local Exchange Telephone Competition and Virginia Code § 56-265.4:4.

(2) ACSI is hereby granted a certificate of public convenience and necessity No. TT-27A, to provide interexchange telecommunications services subject to the requirements in the Commission's rules Governing the Certification of Interexchange Carriers and Virginia Code § 56-265.4:4.

(3) ACSI shall provide tariffs to the Commission's Division of Communications which conform with all Commission rules and regulations.

(4) There being nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.

CASE NO. PUC960088
NOVEMBER 8, 1996

APPLICATION OF
CFW NETWORK, INC.

For a Certificate of Public Convenience and Necessity to Provide Local Exchange Telecommunications Services

ORDER

On July 1, 1996, CFW Network, Inc. ("CFW" or "Applicant") filed an application with the State Corporation Commission to amend its certificate of public convenience and necessity ("certificate") in order to provide local exchange telecommunications services in all or parts of the following Virginia counties: Albemarle, Amherst, Augusta, Bedford, Campbell, Frederick, Nelson, Roanoke, Rockbridge, Rockingham, and Shenandoah, and in the following Virginia cities: Roanoke, Lynchburg, Salem, Charlottesville, Harrisonburg, Bedford, Lexington, Staunton, Winchester, and Buena Vista. By order dated August 9, 1996, the Commission directed CFW to provide notice to the public of its application, directed the Commission Staff ("Staff") to conduct an investigation and file a report, and scheduled a public hearing.

On October 4, 1996, the Staff filed its report, which stated that CFW's application is in compliance with the Commission's Rules for Local Exchange Telephone Competition as adopted in Case No. PUC950018. The Staff noted that CFW submitted illustrative tariffs that did not include rate levels, and that once rates are established and complete tariffs are filed, the Staff will review the tariffs to ensure compliance with Commission rules and regulations. In addition, the Staff noted that for administrative reasons, CFW should be granted a new certificate for local exchange services, instead of an amendment to its existing interexchange certificate.

A hearing was conducted on October 18, 1996. CFW filed proof of publication and proof of service as required by the August 9, 1996 order. At the hearing, the application and the Staff Report were entered into the record without objection.

Having considered the application and the Staff Report, the Commission finds that CFW's application should be granted. Accordingly,

IT IS ORDERED THAT:

(1) CFW Network, Inc. is hereby granted a certificate of public convenience and necessity, No. T-368, to provide local exchange telecommunications services subject to the restrictions set out in the Commission's Rules for Local Exchange Telephone Competition and Virginia Code § 56-265.4:4.

(2) CFW shall provide tariffs to the Commission's Division of Communications which conform with all Commission rules and regulations.

(3) There being nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.

CASE NO. PUC960089
OCTOBER 24, 1996

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement extended local service from its Orange exchange to its Crigersville Exchange

FINAL ORDER

On June 7, 1996, Bell Atlantic-Virginia, Inc. ("BA-VA") filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of Virginia Code § 56-484.2. BA-VA proposed to notify its Orange exchange subscribers of the increases in monthly rates that would be necessary to extend their local service to include the Criglersville exchange. By order of July 26, 1996, the Commission directed BA-VA to publish notice of the proposed increases. Comments or requests for hearing were due on or before September 30, 1996.

On October 8, 1996, the Division of Communications submitted its report referring to the notice that was published by BA-VA, and stating that no comments or requests for hearing had been received. The Commission determined that, pursuant to the provisions of § 56-484.2A of the Code of Virginia, a poll was not required in the Orange exchange because the proposed rate increase for one party residential flat rate service would not exceed 5% of the current monthly rate for such service. The Commission need not convene a hearing unless requested by the lesser of 5% or 150 customers in the Buchanan exchange, as provided in § 56-484.2C of the Code of Virginia. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service from BA-VA's Orange exchange to its Criglersville exchange may be implemented.

(2) BA-VA shall implement the tariff revisions necessary for the proposed extension of local service.

(3) There being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NOS. PUC960100, PUC960103, PUC960104, PUC960105, and PUC960113
NOVEMBER 8, 1996

PETITION OF
AT&T COMMUNICATIONS OF VIRGINIA, INC.

For arbitration of unresolved issues from interconnection negotiations with Bell Atlantic-Virginia, Inc. pursuant to § 252 of the Telecommunications Act of 1996

PETITION OF
TCG VIRGINIA, INC.

For arbitration of unresolved issues from interconnection negotiations with Bell Atlantic-Virginia, Inc. pursuant to § 252 of the Telecommunications Act of 1996

PETITION OF
COX FIBERNET COMMERCIAL SERVICES, INC.

For arbitration of unresolved issues from interconnection negotiations with Bell Atlantic-Virginia, Inc. pursuant to § 252 of the Telecommunications Act of 1996

PETITION OF
BELL ATLANTIC-VIRGINIA, INC.
and
MFS INTELENET OF VIRGINIA

For arbitration of unresolved issues from interconnection negotiations with Bell Atlantic-Virginia, Inc. pursuant to § 252 of the Telecommunications Act of 1996

PETITION OF
MCI TELECOMMUNICATIONS CORPORATION
and
MCImetro ACCESS TRANSMISSION SERVICES OF VIRGINIA, INC.

For arbitration of unresolved issues from interconnection negotiations with Bell Atlantic-Virginia, Inc. pursuant to § 252 of the Telecommunications Act of 1996

ORDER SETTING PROXY PRICES AND RESOLVING INTERIM NUMBER PORTABILITY

On September 11, 1996, the Commission entered Orders Consolidating Issues and Setting Hearing Dates in the above-referenced cases. In these orders, the Commission, among other things, consolidated the cases against Bell Atlantic-Virginia, Inc. ("BA-VA") with regard to the issues of proxies for unbundled elements and interconnection and interim number portability for hearing purposes. In these orders, the Commission also determined it would use proxy ranges and ceilings in accordance with the Federal Communications Commission's ("FCC") findings In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996 (First Report and Order, CC Docket No. 96-98, released August 8, 1996) ("FCC Order") and the Final Rules appended thereto.

On October 15, 1996, the United States Court of Appeals for the Eighth Circuit granted a stay pending judicial review of the pricing provisions of the FCC Order and Rules, including the proxy ranges and ceilings. Iowa Utilities Board et al. v. Federal Communications Commission and United States of America, Docket Nos. 96-3321, 1996 WL 589204 (8th Cir. 1996). BA-VA and all the parties directly bound by these arbitrations agreed to utilize the FCC pricing provisions as guidelines to these arbitrations despite the stay. Therefore, the Commission heard evidence on appropriate proxy prices and will impose interim proxy prices in these cases.

Having considered the evidence presented by the parties herein, and in accordance with the 47 U.S.C. § 252 and the applicable law, the Commission is of the opinion and orders that:

(1) The interim unbundled local loop rates for BA-VA will be established in accordance with the alternative density zone methodology proposed by BA-VA in Exhibit CAE-54. The unbundled loop rates will be as follows in accordance with the FCC proxy ceiling of $14.13:

Geographic Zone	Proxy Rate
Density Group 1	$ 9.52
Density Group 2	$13.31
Density Group 3	$19.54

(2) The interim unbundled 4-wire loop rates for BA-VA shall be two times the rate for 2-wire loops as supported by the rationale of BA-VA.

(3) Interim number portability for BA-VA shall be handled by the "track and true-up" method proposed by Staff and agreed to by BA-VA and AT&T Communications of Virginia, Inc. Under this method, local exchange carriers track their quantity of ported numbers and, once the Commission

establishes a rate and cost recovery method, there will be a retroactive true-up with appropriate Commission determined interest charges. An industry task force that represents the telecommunications carriers in the state should be established to seek agreement on a cost recovery mechanism for interim number portability in conformance with FCC requirements. The Commission Staff should participate in this task force.

(4) The Commission does not support the adoption of an interim bill-and-keep arrangement for transport and termination. Rather, the Commission adopts a proxy rate for BA-VA of $.003 per minute for traffic terminated at the end office, the middle of the range proposed by the FCC. The proxy rate for traffic terminated at the tandem is $.005 per minute. The $.005 rate consists of the $.003 end office rate, $.0015 per minute for termination at the tandem switch which is the FCC proxy ceiling, and $.0005 per minute for tandem switched transport.

(5) The Commission does not accept BA-VA's blended rate proposal with respect to the proxy rate to be charged by the competitive local exchange carriers ("CLECs") to BA-VA for the termination of calls on the CLEC's network. Therefore, the proxy rate for the termination of a BA-VA originated call on a CLEC's network should be set at BA-VA tandem interconnection rate of $.005 per minute when the CLEC's switch serves a geographic area comparable to that served by a BA-VA tandem switch. To the extent that a CLEC's switch serves an area significantly smaller in geographic size than BA-VA's tandem switch, the CLEC should develop a means for estimating the terminating traffic usage on its network that would be a functional equivalent to end office termination and to tandem termination. To the extent the parties cannot agree on the use of a terminating traffic factor to be utilized in these circumstances, the Commission will resolve the issue at the request of either party. In such circumstances, the BA-VA proxy rate of $.003 per minute for end office termination and $.005 per minute for tandem termination would apply to BA-VA traffic completed on a CLEC's network on this functional equivalent basis.

The Commission believes this decision is consistent with the FCC Order's application of symmetrical rates and recognizes the potential alternative network architecture of new entrants.

(6) The proxy rate for the unbundled switching element for BA-VA will be set at $.003 per minute, the middle of the range proposed by the FCC.

(7) The proxy rate for the port for BA-VA will be set at $1.55 per month, the middle of the range proposed by the FCC.

(8) The proxy rates for collocation space and other collocation elements for BA-VA shall be set equal to the effective rate for equivalent services in BA-VA's interstate expanded interconnection tariff. This includes the proxy rates applicable to the DS-1 cross-connect and DS-3 cross-connect elements.

(9) The proxy rate for the DS-0 cross-connect element for BA-VA shall be set at $.86 per DS-0 cross-connect per month, as supported by Staff's rationale.

(10) The proxy rates for signaling and call-related databases shall be set equal to the effective rate for equivalent services in BA-VA's interstate access tariffs.

CASE NOS. PUC960100, PUC960104, and PUC960113
NOVEMBER 8, 1996

APPLICATION OF
AT&T COMMUNICATIONS OF VIRGINIA, INC.

For arbitration of unresolved issues from interconnection negotiations with Bell Atlantic-Virginia, Inc. pursuant to § 252 of the Telecommunications Act of 1996

APPLICATION OF
COX FIBERNET COMMERCIAL SERVICES, INC.

For arbitration of unresolved issues from interconnection negotiations with Bell Atlantic-Virginia, Inc. pursuant to § 252 of the Telecommunications Act of 1996

APPLICATION OF
MCI TELECOMMUNICATIONS
and
MCIMETRO ACCESS TRANSMISSION SERVICES OF VIRGINIA, INC.

For arbitration of unresolved issues from interconnection negotiations with Bell Atlantic-Virginia, Inc. pursuant to § 252 of the Telecommunications Act of 1996

ORDER RESOLVING WHOLESALE DISCOUNT FOR RESOLD SERVICES

On July 15, 1996, AT&T Communications, Inc. ("AT&T") filed its petition for arbitration of unresolved issues between AT&T and Bell Atlantic-Virginia, Inc. ("BA-VA"), pursuant to § 252(b) of the Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56, codified at 47 U.S.C. § 151 et seq. ("the Act"). A similar petition for arbitration with BA-VA was filed by Cox Fibernet Commercial Services, Inc. ("Cox") on July 17, 1996, and MCImetro Access Transmission Services of Virginia, Inc. ("MCI") filed its petition for arbitration with BA-VA on August 26, 1996. On September 11, 1996, the Commission entered orders consolidating issues and setting hearing dates in these three arbitration cases. Among other things, these orders consolidated the cases against BA-VA for determining the wholesale discount that BA-VA should offer for resale of telecommunications services.

The Commission decided that the wholesale discount would be determined by use of avoided costs studies as provided by § 252(d)(3) of the Act, and that if such studies were adequate, it would not be necessary to use the proxy ranges adopted by the Federal Communications Commission's ("FCC's") findings In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996 (First Report and Order, C.C. Docket No. 96-98) ("FCC Order") and the final rules appended thereto.

Hearings for these three consolidated cases were held October 10, 11, and 22, 1996, and briefs were submitted October 28, 1996.

DISCUSSION

Having considered the record and the briefs, we agree with the Staff on three broad issues. All parties appeared to agree that the language of § 252(d)(3) of the Act, in referring to costs that will be "avoided" means those costs that would be reasonably avoidable by a local exchange company furnishing only wholesale service. The costs that should be avoidable are those that would benefit only retail services. The Commission also agrees with the Staff that it is most appropriate to use total company Virginia costs, not intrastate costs, and that only two discounts can be determined at this time -- one where BA-VA is furnishing all telecommunications services, and a greater discount when it furnishes all telecommunications services except directory assistance and operator call-completion.

For the directly allocated expenses, we agree with Staff's determination that 65.37 percent of Account No. 6611 (Product Management) is avoidable. For Account No. 6613 (Product Advertising) we find that only 50 percent is reasonably avoidable.

For Accounts 6621 and 6622 (Call Completion Services and Number Services, respectively) we agree with BA-VA and the Staff. Account No. 6621 is 42 percent avoidable and 28 percent excludable, and Account No. 6622 is 33 percent avoidable and 35 percent excludable. We agree with Staff that Account No. 6623 (Customer Services) is 79.8 percent avoidable.

We agree with the Staff on the calculation of the indirect allocation factor except we believe that depreciation should be included within the denominator. The correct method for calculating the factor, including depreciation, is already reflected in Exhibit LJC-22A. We also agree with the Staff that uncollectibles (Account No. 5301) should be treated as a 90 percent avoidable direct cost.

The language of § 252(d)(3) of the Act does not prohibit consideration of new costs that a wholesale provider would incur. For this case, we adopt the $10.5 million in new costs estimated by BA-VA, but we amortize the one-time capital expense over a three-year period as recommended by AT&T. This results in only $5.3 million being included in the study as an offset to avoidable costs.

When a reseller provides its own directory assistance and call-completion services, we agree with Staff that Operator Systems Expense (Account 6220) is partially excludable and partially avoidable in the same proportion as Accounts 6621 and 6622. We agree with AT&T that 20 percent of Operations Testing and Operations Plant Administration (Accounts 6533 and 6534) are avoidable because the reseller will be the first point of contact for its customers' repair calls.

As a result of treating all the accounts as indicated above, we calculate the wholesale discount, as done by the Staff, AT&T, and BA-VA, by placing total avoidable costs in the numerator and dividing by a denominator consisting of the revenue corresponding to the services represented by the numerator. That calculation produces a discount of 18.5 percent when BA-VA provides directory assistance and call-completion services and 19.4 percent when BA-VA does not furnish those services.

NOW THE COMMISSION, having considered the evidence presented by the parties herein, together with the provisions of 47 U.S.C. § 252 and other pertinent law, is of the opinion, finds, and orders that the wholesale discount BA-VA offers for resale by telecommunications carriers is determined in the manner set out above and results in a discount of 18.5 percent when BA-VA furnishes directory assistance and call-completion services and a discount of 19.4 percent when BA-VA does not furnish those services.

CASE NOS. PUC960100, PUC960104, and PUC960113
NOVEMBER 13, 1996

APPLICATION OF
AT&T COMMUNICATIONS OF VIRGINIA, INC.

For arbitration of unresolved issues from interconnection negotiations with Bell Atlantic-Virginia, Inc. pursuant to § 252 of the Telecommunications Act of 1996

APPLICATION OF
COX FIBERNET COMMERCIAL SERVICES, INC.

For arbitration of unresolved issues from interconnection negotiations with Bell Atlantic-Virginia, Inc. pursuant to § 252 of the Telecommunications Act of 1996

APPLICATION OF
MCI TELECOMMUNICATIONS
and
MCImetro ACCESS TRANSMISSION SERVICES OF VIRGINIA, INC.

For arbitration of unresolved issues from interconnection negotiations with Bell Atlantic-Virginia, Inc. pursuant to § 252 of the Telecommunications Act of 1996

AMENDING ORDER

On November 8, 1996, the Commission entered its Order resolving the wholesale discounts for resold services. It has now come to the Commission's attention that the discount of 19.4 percent when Bell Atlantic-Virginia, Inc. does not furnish directory assistance and call completion services is erroneous. The correct percentage should be 21.3 percent.

Accordingly, IT IS THEREFORE ORDERED THAT the 19.4 percent figure stated in the Order of November 8, 1996, is hereby changed to 21.3 percent. In all other respects, the Order of November 8, 1996, remains unaltered.

CASE NO. PUC960100
DECEMBER 2, 1996

PETITION OF
AT&T COMMUNICATIONS OF VIRGINIA, INC.

For arbitration of unresolved issues from interconnection negotiations with Bell Atlantic-Virginia, Inc. pursuant to § 252 of the Telecommunications Act of 1996

ORDER RESOLVING REMAINING ARBITRATION ISSUES AND REQUIRING FILING OF INTERCONNECTION AGREEMENT

On September 11, 1996, the Commission entered an Order Consolidating Certain Issues and Setting Hearing Dates in the above-referenced case. In this order, the Commission set hearing dates for the consolidated pricing issues and set a hearing for November 6, 1996, to receive evidence on the remaining unresolved issues between AT&T Communications of Virginia, Inc. ("AT&T") and Bell Atlantic-Virginia, Inc. ("BA-VA"). The Commission heard evidence on November 6, 1996, on the remaining unresolved issues. The parties designated the remaining unresolved issues as follows: (1) non-recurring charges for loops and switching, (2) reciprocal obligations mutuality and reciprocity, (3) collocation of Remote Switching Modules ("RSM"), and (4) wholesale discounts for additional directory and non-pub and non-list numbers.

Having considered the evidence on the remaining issues presented by the parties herein, and in accordance with the Telecommunications Act of 1996 ("Act") and the applicable law, the Commission is of the opinion and orders that:

(1) The interim non-recurring charge for the service order shall be $20.21 per order as supported by evidence presented by BA-VA.

(2) The interim non-recurring charge for installation for existing customers shall be $13.91 as supported by BA-VA's rationale. The Commission does not find merit in AT&T's assertion that there is double-counting for dispatch and field work in BA-VA's cost for installation for an existing customer. There will be no installation charge when AT&T orders both the loop and switching elements together and BA-VA does not perform an installation function.

(3) The interim non-recurring charge for the installation for a new connect shall be $27.02 as supported by BA-VA's evidence.

(4) The interim non-recurring charge for the coordinated cutover for the port shall be $10.52 and for an existing customer shall be $15.41. The charges are based on BA-VA's cost evidence and the indication that only approximately twenty percent of its loops are Integrated Digital Loop Carrier and require particular work activities. The charges are adjusted based on Staff's methodology excluding the reduction in the charge by twenty-one percent.

(5) The Act does not require reciprocal obligations for unbundling and resale to be imposed on AT&T. Therefore, the Commission rejects BA-VA's request for mutuality and reciprocity.

(6) Neither the Act nor the Federal Communications Commission Order In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, CC Docket No. 96-98, First Report and Order, require collocation of RSMs so that they may be used for their switching functions. Therefore, the Commission finds that AT&T may collocate its RSMs only for interconnection and access to unbundled elements and not for the switching function as supported by the Staff's rationale.

(7) Additional directory, non-pub and non-list numbers shall be made available to AT&T. As an interim price for these elements, the Commission finds that they should be offered by BA-VA at the tariffed rate less the appropriate wholesale discount as set forth by this Commission.

(8) AT&T and BA-VA shall submit an interconnection agreement in this docket incorporating the applicable findings of the Commission in this case within sixty (60) days of entry of this order. The interconnection agreement shall be submitted in accordance with § 252(e) of the Act and Section C(7) of the Commission's Procedural Rules for Implementing Sections 251 and 252 of the Telecommunications Act of 1996 as adopted in Case No. PUC960059.

(9) This matter is continued generally.

CASE NOS. PUC960100, PUC960104, and PUC960113
DECEMBER 2, 1996

APPLICATION OF
AT&T COMMUNICATIONS OF VIRGINIA, INC.

For arbitration of unresolved issues from interconnection negotiations with Bell Atlantic-Virginia, Inc. pursuant to § 252 of the Telecommunications Act of 1996

APPLICATION OF
COX FIBERNET COMMERCIAL SERVICES, INC.

For arbitration of unresolved issues from interconnection negotiations with Bell Atlantic-Virginia, Inc. pursuant to § 252 of the Telecommunications Act of 1996

APPLICATION OF
MCI TELECOMMUNICATIONS CORPORATION
and
MCImetro ACCESS TRANSMISSION SERVICES OF VIRGINIA, INC.

For arbitration of unresolved issues from interconnection negotiations with Bell Atlantic-Virginia, Inc. pursuant to § 252 of the Telecommunications Act of 1996

ORDER DENYING RECONSIDERATION

On November 22, 1996, Bell Atlantic-Virginia, Inc. ("BA-VA") filed its Petition requesting the Commission to reconsider the November 13, 1996 Amending Order prescribing wholesale discounts of 21.3% for resellers furnishing their own operator services and 18.5% for those buying operator services from BA-VA.

Having considered the Petition, the Commission finds that reconsideration is not warranted.

Accordingly, IT IS THEREFORE ORDERED THAT BA-VA's Petition for Reconsideration is hereby denied.

CASE NO. PUC960102
AUGUST 20, 1996

PETITION OF
MFS COMMUNICATIONS COMPANY, INC.

For arbitration of unresolved issues from interconnection negotiations with GTE South, Inc. pursuant to § 252 of the Telecommunications Act of 1996

ORDER GRANTING WITHDRAWAL

On August 12, 1996, MFS Communications Company, Inc. ("MFS") filed a withdrawal, without prejudice, of its petition for arbitration. MFS asserts that the withdrawal is filed pursuant to a stipulation between MFS and GTE Service Corporation ("GTE") dated August 7, 1996, which provides that the parties shall negotiate in good faith and execute interim interconnection agreements in Virginia, among other states. MFS further asserts that the stipulation provides that MFS has rescinded any outstanding requests for negotiations with GTE pursuant to § 251 of the Telecommunications Act of 1996 ("Act"), and that the parties anticipate that MFS will file new requests for negotiations under the Act in the near future.

MFS states that the parties consider this docket to be closed, and requests that the Commission close this docket and relieve the parties of any further procedural obligations herein.

NOW THE COMMISSION, after considering the matter, is of the opinion that MFS has withdrawn its petition without prejudice; that pursuant to § 252(e) of the Telecommunications Act of 1996, MFS and GTE shall file with the Commission all interconnection agreements between the parties; that MFS and GTE shall be relieved of any further procedural obligations in this docket; and that this docket shall be closed. Accordingly,

IT IS ORDERED THAT:

(1) The captioned petition for arbitration is withdrawn without prejudice.

(2) MFS and GTE shall file with the Commission all interconnection agreements between the parties.

(3) MFS and GTE are relieved of any further procedural obligations in this proceeding.

(4) This matter is dismissed without prejudice and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC960103
NOVEMBER 8, 1996

PETITION OF
TCG VIRGINIA, INC.

For arbitration of unresolved issues from interconnection negotiations with Bell Atlantic-Virginia, Inc. pursuant to § 252 of the Telecommunications Act of 1996

ORDER RESOLVING REMAINING ARBITRATION ISSUES AND REQUIRING FILING OF INTERCONNECTION AGREEMENT

On July 17, 1996, TCG Virginia, Inc. ("TCG") filed its petition for arbitration to establish an interconnection agreement between TCG and Bell Atlantic-Virginia ("BA-VA"), pursuant to § 252(b) of the Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56, codified at 47 U.S.C. § 151 et seq. ("the Act"). On September 11, 1996, the Commission entered an Order Consolidating Certain Issues and Setting Hearing Dates. That order set hearing dates for the consolidated pricing issues and set a hearing date for October 23, 1996, to receive evidence on the remaining unresolved issues between TCG and BA-VA. In these orders, the Commission, among other things, consolidated the cases involving BA-VA with regards to issues of proxies for unbundled elements and interconnection, and interim number portability for hearing purposes.

The hearing concerning unresolved issues specific to TCG and BA-VA was convened and concluded October 23, 1996. Bell Atlantic presented the testimony of one witness, TCG presented exhibits and testimony of one witness, and the Commission Staff presented its prefiled Staff Report and testimony of two witnesses.

Only two issues remain unresolved between BA-VA and TCG that were not addressed in the consolidated proxy pricing order. The first issue is what portion of the Residual Interconnection Charge ("RIC") should be paid to TCG to reimburse TCG for use of its tandem to deliver interexchange traffic to a BA-VA end office. The RIC is an access charge rate element which long distance carriers pay to a local exchange carrier at the end office. We agree with Staff and BA-VA that 25 percent of the RIC should be paid or credited TCG when its tandem is used.

Regarding the second issue, we also agree with the Staff and BA-VA that TCG should pay a $5 nonrecurring charge for each primary listing of a TCG customer in BA-VA's white pages directory.

Having considered the evidence presented by the parties herein together with the provisions of 47 U.S.C. § 252 and other pertinent law, the Commission is of the opinion, finds, and orders that:

(1) BA-VA shall reimburse TCG 25 percent of the Residual Interconnection Charge it collects for interexchange access traffic at a BA-VA end office when TCG provides the tandem switch.

(2) BA-VA shall charge TCG a nonrecurring charge of $5 for each primary listing of a TCG customer for BA-VA's white pages directory.

(3) TCG and BA-VA shall submit an interconnection agreement in this docket incorporating the applicable findings of the Commission in this case, along with issues resolved by the parties through negotiation, within 60 days of entry of this Order. The interconnection agreement shall be submitted in accordance with § 252(e) of the Telecommunications Act of 1996 and § C(7) of the Commission's Procedural Rules for Implementing Sections 251 and 252 of the Telecommunications Act of 1996 as adopted in Case No. PUC960059.

(4) This matter is continued generally.

CASE NO. PUC960104
NOVEMBER 8, 1996

PETITION OF
COX FIBERNET COMMERCIAL SERVICES INC.

For arbitration of unresolved issues from interconnection negotiations with Bell Atlantic-Virginia, Inc. pursuant to § 252 of the Telecommunications Act of 1996

ORDER RESOLVING REMAINING ARBITRATION ISSUES AND REQUIRING FILING OF INTERCONNECTION AGREEMENT

On September 11, 1996, the Commission entered an Order Consolidating Certain Issues and Setting Hearing Dates in the above-referenced case. In this order, the Commission set hearing dates for the consolidated pricing issues and set a hearing for October 23, 1996 to receive evidence on the remaining unresolved issues between Cox Fibernet Commercial Services, Inc. ("Cox") and Bell Atlantic-Virginia, Inc. ("BA-VA"). The Commission heard evidence on October 23, 1996 on the remaining unresolved issues.

By the time post-hearing briefs were submitted on October 29, 1996, Cox and BA-VA had settled most of the remaining unresolved issues except for the terms and conditions for Cox's interconnection to other competitive local exchange companies ("CLECs") within BA-VA's collocation room.

BA-VA is not opposed to such interconnections but has proposed that all interconnections within the collocation room should be performed through BA-VA's equipment. Cox initially stated that it should be permitted to directly connect to another collocator at any of BA-VA's collocation or entrance facilities. However, at the hearing, Cox clarified its position to require direct cross connections without the use of BA-VA equipment only in situations where the collocator's cages abut one another.

The interconnection of CLECs properly collocated at BA-VA's switching offices is required by the provisions of Paragraphs 594 and 595 of the FCC's First Report and Order In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, C.C. Docket No. 96-98, released August 8, 1996 ("FCC Order"). The Commission finds that it is reasonable to allow direct interconnection between collocators in such circumstances that do not adversely impact BA-VA's coordination and technical management of the collocation space.

ACCORDINGLY, IT IS THEREFORE ORDERED THAT:

(1) Cox shall be allowed to directly interconnect with collocators in such circumstances that do not adversely impact BA-VA's coordination and technical management of the collocation space. BA-VA and Cox shall negotiate upon the terms and conditions of CLEC interconnection in the collocation room and adopt procedures based upon long-term, sound engineering practices. The terms and conditions of this CLEC interconnection shall be incorporated into the interconnection agreement between the parties.

(2) Cox and BA-VA shall submit an interconnection agreement in this docket incorporating the applicable findings of the Commission in this case, along with issues resolved by the parties through negotiation, within sixty (60) days of entry of this order. The interconnection agreement shall be submitted in accordance with § 252(e) of the Telecommunications Act of 1996 and Section C(7) of the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996 as adopted in Case No. PUC960059.

(3) This matter is continued generally.

CASE NO. PUC960105
NOVEMBER 8, 1996

PETITION OF
BELL ATLANTIC-VIRGINIA, INC.
and
MFS INTELENET OF VIRGINIA

For arbitration of unresolved issues from interconnection negotiations with Bell Atlantic-Virginia, Inc. pursuant to § 252 of the Telecommunications Act of 1996

ORDER REQUIRING FILING OF INTERCONNECTION AGREEMENT

On this day, the Commission entered an Order Setting Proxy Prices and Resolving Interim Number Portability that resolved the unresolved issues in this case in accordance with § 252 of the Telecommunications Act of 1996 ("the Act"). Therefore, it is appropriate for the parties to file an interconnection agreement incorporating the Commission's findings within sixty (60) days of this order.

ACCORDINGLY, IT IS THEREFORE ORDERED THAT:

(1) MFS Intelenet of Virginia and Bell Atlantic-Virginia, Inc. shall submit an interconnection agreement in this docket incorporating the applicable findings of the Commission in this case within sixty (60) days of entry of this order. The interconnection agreement shall be submitted in accordance with § 252(e) of the Act and Section C(7) of the Commission's Procedural Rules for Implementing Sections 251 and 252 of the Telecommunications Act of 1996 as adopted in Case No. PUC960059.

(2) This matter is continued generally.

CASE NO. PUC960108
AUGUST 26, 1996

PETITION OF
TCG VIRGINIA, INC.

For arbitration of unresolved issues from interconnection negotiations with GTE South, Inc. pursuant to § 252 of the Telecommunications Act of 1996

ORDER GRANTING DISMISSAL

On August 20, 1996, TCG Virginia, Inc. ("TCG") filed a notice of dismissal, without prejudice, of its petition for arbitration with GTE South, Inc. ("GTE"). TCG asserts that the parties have reached mutual agreement to dismiss the proceeding.

NOW THE COMMISSION, having considered the matter, is of the opinion that the captioned petition should be dismissed without prejudice; that pursuant to § 252(e) of the Telecommunications Act of 1996, TCG and GTE shall file with the Commission all interconnection agreements between the parties; and that this docket shall be closed. Accordingly,

IT IS ORDERED THAT:

(1) The captioned petition for arbitration is dismissed without prejudice.

(2) TCG and GTE shall file with the Commission all interconnection agreements between the parties.

(3) This matter is dismissed without prejudice and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC960109
OCTOBER 22, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of investigating GTE South, Inc.'s status as a rural telephone company pursuant to the Telecommunications Act of 1996

ORDER ON RURAL STATUS AND DENYING STAY

By order of August 12, 1996, the Commission docketed this matter, required GTE South, Inc. ("GTE" or the "Company") to furnish notice, and invited comments from interested parties. Pursuant to that order and our order granting an extension of time, dated August 23, 1996, the Commission received comments from AT&T Communications of Virginia, Inc. ("AT&T"), MCI Telecommunications Corporation and MCImetro Access Transmission Service of Virginia, Inc. ("MCI" and MCImetro"), MFS Intelenet of Virginia, Inc. ("MFS"), Sprint Communications Co. L.P. ("Sprint"), Cox Fibernet Commercial Services, Inc. ("Cox"), Jones Telecommunications, Inc. of Virginia ("Jones"), CFW Network, Inc. ("CFW"), and the Telecommunications Resellers Association ("TRA"). GTE replied to the initial round of comments as to whether it is a rural telephone company on August 28, 1996, and on September 3, 1996, GTE filed documents and evidence upon which it would rely to demonstrate that any and all requests for interconnection were unduly economically burdensome, technically infeasible, or inconsistent with § 254 of the Telecommunications Act of 1996 ("the Act"). Interested parties submitted comments about GTE's documents and evidence on September 17, 1996. On September 23, 1996, the Commission Staff ("Staff") filed its Motion for Clarification Regarding GTE's Claimed Rural Status ("Staff Motion"). That Motion argued that GTE is not a rural company because substantially more than 15% of its access lines are in communities with more than 50,000 people, GTE's southwest territory should not be treated separately from its Contel territory, and GTE had made its claim to be rural too late into the Act's negotiation/arbitration process. GTE replied to the comments of interested parties and to the Staff Motion on September 24, 1996.

On September 3, 1996, GTE filed a motion requesting the Commission to stay this proceeding pending the results of the Company's arbitration with AT&T on pricing and costing issues. GTE asserts that the threshold issue in this case is whether AT&T's request for interconnection, unbundled elements and wholesale services under § 251(c) of the Act is "unduly economically burdensome." GTE believes that in order to make this determination, the Commission must apply the pricing standards set forth in § 252(d) of the Act. Therefore, GTE argues, given that the parties must evaluate the same cost and price issues in arbitration, "it would be more efficient to stay this proceeding while the arbitration on the threshold pricing and costing issues is underway. Once these threshold issues are arbitrated, the Commission can apply its arbitration results to this rural exemption proceeding." GTE also contends that in a rural exemption proceeding, "the Commission and all other state commissions have the power to disregard the FCC's directives and impose rules and methodologies the state commissions believe are necessary to address state-specific concerns."

On September 11, 1996, Cox filed its opposition to the Motion to Stay. Cox argues that the parties' resources could be wasted if the stay were granted, granting a stay could impede pending arbitrations, and GTE cannot collaterally attack the FCC's rules in this proceeding.[1] AT&T filed its opposition to the stay on September 17, 1996.

The Commission agrees with Cox's arguments for denying the stay. GTE filed the "suggestion" to initiate this proceeding, and it should not be able to change the course of the proceeding at this date. The Commission firmly believes that the principal issue of whether GTE is a rural telephone company must be answered before this case proceeds any further. If the Commission finds that GTE is rural, then it can evaluate the economic burden

[1] Other aspects of the FCC's Interconnection Rules were stayed by the 8th Circuit Court of Appeals on October 15, 1996. See Iowa Utilities Board, et al. v. Federal Communications Commission, et at, ____Fd3d____, 1996WL589204 (slip opinion).

issue. However, at this time, this Commission makes no determination of whether the pricing standards of § 252(d) of the Act should be applied to the economic burden issue. Having considered the Motion to Stay, the parties' responses and the applicable law, the Commission is of the opinion that GTE's Motion to Stay should be denied.

All commenting parties have challenged the Company's claim to rural status under the Act. The Commission cannot agree with GTE's premise that the rural exemption is based on self-executing definitions of the Act. It could not have been the intent of Congress to permit telephone companies to arbitrarily interpret such definitions under the Act as "communities of more than 50,000" without authority from a state commission. However, having considered the comments and arguments submitted by the parties and Staff, the Commission finds that GTE's southwest study area satisfies the letter of § 153(37)(C) and qualifies for the statutory rural exemption. However, we find that GTE's Contel study area does not qualify for the rural exemption because more than 15% of its lines are in communities of more than 50,000.

GTE's argument that its Contel study area meets the criteria of § 153(37)(D) of the Act depends upon a very restrictive definition of ". . . communities of more than 50,000. . . ." GTE views communities as being Virginia's incorporated cities, each being considered individually. GTE has not provided any persuasive arguments to this Commission that its definition of communities is appropriate. The Commission is convinced that GTE has too narrowly defined communities in this proceeding and thus the Commission concludes that GTE has not demonstrated that its Contel territory qualifies as a rural telephone company under § 153(37)(D).

The pleadings, comments, and documents previously submitted by GTE, the interested parties and Staff indicated that everyone anticipated GTE's rural status would be determined as a single, statewide entity. In light of the Commission's finding that one study area is rural and the other is not, the scope of the various GTE arbitration proceedings may need to be altered. However, those proceedings will proceed as scheduled since, at a minimum, interconnection issues must be resolved for the Contel study area.

In this docket, GTE has already furnished documentation on undue economic burdens, technical infeasibility, and inconsistency with § 254 of the Act. The interested parties have asserted that rural status is not warranted for GTE, but if granted, it should be terminated. They believe GTE's documentation does not satisfy the criteria of § 251 (f)(1)(B) for preventing termination. If GTE or any party desires a hearing regarding terminating the rural exemption for GTE's southwest territory, they must request one no later than November 4, 1996. If a request is received, the Commission will establish a procedural schedule for such a hearing. If a hearing is not necessary, the Commission will decide the issue based on the pleadings, comments and documents previously submitted.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) GTE may not avail itself of a rural exemption for its Contel study area under the definition of rural telephone company at 47 U.S.C. § 153(37)(D).

(2) GTE may assert a rural exemption for its southwest study area under the definition of 47 U.S.C. § 153(37)(C).

(3) GTE's Motion to Stay is denied.

(4) GTE or any interested party may request a hearing no later than November 4, 1996, regarding the termination of the rural exemption for the southwest territory.

CASE NO. PUC960110
OCTOBER 11, 1996

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
MFS INTELENET OF VIRGINIA, INC.

For approval of interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On July 17, 1996, Bell Atlantic-Virginia, Inc. ("BA-VA") and MFS Intelenet of Virginia, Inc. ("MFS") (collectively "the Companies") submitted an Interconnection Agreement ("the Agreement") for Commission approval under § 252(e) of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. § 252(e). On August 20, 1996, the Commission issued an Order Inviting Comments or Requests for Hearing. Several parties filed comments, and no party requested a hearing.

Under § 252(e)(2)(A) of the Act, 47 U.S.C. § 252(e)(2)(A), the Commission may reject an interconnection agreement adopted by negotiation only if it finds that "(i) the agreement (or portion thereof) discriminates against a telecommunications carrier not a party to the agreement; or (ii) the implementation of such agreement or portion is not consistent with the public interest, convenience, and necessity." No commenting party claimed that the Agreement discriminates against other telecommunications carriers. Further, no commenting party claimed that the implementation of the Agreement is inconsistent with the public interest, convenience, and necessity. Therefore, the Commission finds that the Agreement shall be approved.

On the same day the Companies filed the Agreement, they filed a joint petition for arbitration of an unresolved issue. The unresolved issue is the price of unbundled loops, and it is being addressed in a separate proceeding.

Commenting parties raised concerns on other issues related to the approval of the Agreement. For example, they argued that the Agreement should not be viewed as a precedent by the Commission. The Commission has reviewed the Agreement under the criteria listed in § 252(e)(2)(A) of the

Act, 47 U.S.C. § 252(e)(2)(A). The Commission finds that the Agreement is only directly binding on the Companies and does not specifically impact parties other than BA-VA and MFS.

Another area of concern among the commenting parties was the statement in the Agreement that it complies with the checklist requirements of § 271 of the Act, 47 U.S.C. § 271 ("§ 271 checklist"). A review for compliance with the § 271 checklist is neither required nor appropriate at this time. Therefore, the Commission has not reviewed the terms of the Agreement for compliance with § 271 of the Act, and does not pass judgment on whether the Agreement meets the requirements of the § 271 checklist.

NOW THE COMMISSION, having considered the Agreement filed in this case and the comments of the interested parties, finds that the Agreement should be approved subject to the requirement that future negotiated provisions be submitted to the Commission for approval.

Accordingly, IT IS ORDERED THAT:

(1) The Agreement filed by BA-VA and MFS is approved pursuant to § 252(e) of the Act, 47 U.S.C. § 252(3). Any future negotiations which result in a different or new arrangement for interconnection, services, or network elements under § 251 of the Act, 47 U.S.C. § 251, shall be submitted to the Commission for approval under § 252(e) of the Act, 47 U.S.C. § 252(e).

(2) This case shall be dismissed and the papers herein shall be placed in the file for ended causes.

CASE NO. PUC960113
DECEMBER 16, 1996

PETITION OF
MCImetro ACCESS TRANSMISSION OF VIRGINIA, INC.

For Arbitration of Unresolved Issues with Bell Atlantic-Virginia, Inc. Pursuant to Section 252 of the Telecommunications Act of 1996

ORDER ADOPTING STIPULATION

On December 6, 1996, Bell Atlantic-Virginia, Inc. ("BA-VA") and MCI Telecommunications Corporation and MCImetro Access Transmission Services of Virginia, Inc. ("MCI") filed a joint Agreement and Stipulation ("Stipulation") seeking to establish a process, through continuing negotiation, for addressing all issues, terms or conditions that remain in dispute in their proposed interconnection agreement. The Commission finds the Stipulation acceptable, but limits its acceptance of the Stipulation to the filing dates the parties have set for themselves. The Commission will set forth an expedited schedule for Staff testimony and any evidentiary hearing after the parties file the list of unresolved issues on January 29, 1997.

We also find it appropriate for the parties to jointly file an update on the issues that remain unresolved prior to the January 29 filing date.

The Commission concurs with the parties that they should continue negotiating open issues and their local interconnection agreement language before and after the arbitration hearings currently scheduled for December 16 and 17, 1996; that the parties shall jointly file an update on the issues that remain unresolved on January 15, 1997; that, as of January 29, 1997, either or both parties identify for the Commission, the Commission Staff, and each other, the unresolved issues that are unlikely to be resolved in continued negotiations, serving other parties in accordance with the Stipulation; and no later than February 5, 1997, each party shall file with the Commission, and serve upon Commission Staff and each other in accordance with the Stipulation, a statement and any evidence of that party's position on each unresolved issue previously identified.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) The Stipulation of BA-VA and MCI will be implemented on the terms set forth above.

(2) Hearings necessary to resolve issues and any Staff Report concerning unresolved issues may be scheduled by further order of the Commission.

CASE NO. PUC960113
DECEMBER 20, 1996

PETITION OF
MCI TELECOMMUNICATIONS CORPORATION
and
MCImetro ACCESS TRANSMISSION OF VIRGINIA, INC.

For arbitration of unresolved issues with Bell Atlantic-Virginia, Inc. pursuant to § 252 of the Telecommunications Act of 1996

ORDER RESOLVING REMAINING ARBITRATION ISSUES AND REQUIRING FILING OF INTERCONNECTION AGREEMENT

On September 11, 1996, the Commission entered an order consolidating certain issues and setting a hearing date in the above-referenced case. In that order, the Commission set hearing dates for the consolidated pricing issues and set a hearing for December 10, 1996 to receive evidence on the remaining unresolved issues between MCImetro Access Transmission of Virginia, Inc. and MCI Telecommunications Corporation (collectively "MCI")

and Bell Atlantic-Virginia, Inc. ("BA-VA"). That hearing was subsequently rescheduled for December 16, 1996, and on that date the Commission heard evidence on the remaining unresolved issues.

Pursuant to a stipulation filed on December 13, 1996, BA-VA and MCI designated the remaining unresolved issues as follows:

1. Shared two way trunking
2. Availability of Loop Distribution as an Unbundled Element
3. Availability of Dark Fiber as an Unbundled Network Element
4. Use of Collocated Remote Switching Equipment
5. Collocation Servicing Intervals

Having considered the evidence on the remaining issues as presented by the parties on December 16, 1996, and in accordance with the Telecommunications Act of 1996 ("Act") and the applicable law, the Commission is of opinion and orders that:

(1) BA-VA is not required to provide shared two-way trunks with MCI at this time. BA-VA and MCI should continue to negotiate on this matter to determine whether joint planning or forecasting can mitigate concerns regarding network blockage.

(2) BA-VA is not required to provide subloop unbundling of loop distribution through access to the Feeder Distribution Interface at this time. BA-VA and MCI are encouraged to engage in a joint trial and testing of subloop unbundling.

(3) BA-VA is not required to provide dark fiber as an unbundled network element.

(4) Neither the Act nor the Federal Communications Commission's order In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, CC Docket No. 96-98, First Report and Order, require collocation of RSMs so that they may be used for their switching functions. Therefore, the Commission finds that MCI may collocate its RSMs only for interconnection and access to unbundled elements and not for the switching function, as supported by the Staff's rationale.

(5) The Commission adopts the agreement of BA-VA and MCI on a 60 day time interval for completion of virtual collocation requests. We adopt the Staff recommendation for physical collocation requests but with a 120 day time interval, as urged by BA-VA, rather than a 90 day time interval.

(6) MCI and BA-VA shall submit an interconnection agreement in this docket incorporating the applicable findings of the Commission in this case within 60 days of entry of this Order. The interconnection agreement shall be submitted in accordance with § 252(e) of the Act and Section C(7) of the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059.

(7) This matter is continued generally.

CASE NO. PUC960116
DECEMBER 19, 1996

APPLICATION OF
KMC TELECOM OF VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications service

FINAL ORDER

On August 16, 1996, KMC Telecom of Virginia, Inc. ("KMC" or "Applicant") filed an application for certificates of public convenience and necessity ("certificate") to provide local exchange and interexchange telecommunications services in and around the City of Roanoke, including all of Roanoke County, the City of Salem and a small section of Botetourt County. KMC requests authority under Va. Code § 56-481.1 to set intrastate interexchange rates on a competitive basis.

By order dated October 7, 1996, the Commission directed the Applicant to provide notice to the public of its application, directed the Commission Staff ("Staff") to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to KMC's application for a certificate to provide local exchange services.

On November 13, 1996, the Staff filed its report, finding that KMC's application was in compliance with the Commission's Rules for Local Exchange Telephone Competition, as adopted in Case No. PUC950018, and the Commission's Rules Governing the Certification of Interexchange Carriers, as amended in Case No. PUC850035. Therefore, the Staff recommended granting a local exchange certificate and an interexchange certificate to KMC.

A hearing was conducted on November 22, 1996. KMC filed proof of publication and proof of service as required by the October 7, 1996, scheduling order. At the hearing, the application and accompanying exhibits, and the Staff Report were entered into the record without objection by the parties.

Having considered the application as amended and the Staff Report, the Commission finds that KMC's application should be granted. Accordingly,

IT IS ORDERED THAT:

(1) KMC Telecom of Virginia, Inc. is hereby granted a certificate of public convenience and necessity, No. TT-29A, to provide interexchange services subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) KMC Telecom of Virginia, Inc. is hereby granted a certificate of public convenience and necessity, No. T-370, to provide local exchange telecommunications services subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(3) KMC shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(4) There being nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.

CASE NOS. PUC960117, PUC960118, PUC960124, and PUC960131
DECEMBER 11, 1996

PETITION OF
AT&T COMMUNICATIONS OF VIRGINIA, INC.

For arbitration of unresolved issues from the interconnection negotiations with GTE South, Inc. pursuant to § 252 of the Telecommunications Act of 1996

PETITION OF
COX FIBERNET COMMERCIAL SERVICES, INC.

For arbitration of unresolved issues from the interconnection negotiations with GTE South, Inc. pursuant to § 252 of the Telecommunications Act of 1996

PETITION OF
MCI TELECOMMUNICATIONS CORPORATION
and
MCImetro ACCESS TRANSMISSION SERVICES OF VIRGINIA, INC.

For arbitration of unresolved issues from the interconnection negotiations with GTE South, Inc. pursuant to § 252 of the Telecommunications Act of 1996

PETITION OF
SPRINT COMMUNICATIONS COMPANY, L.P.

For arbitration of unresolved issues from the interconnection negotiations with GTE South, Inc. pursuant to § 252 of the Telecommunications Act of 1996

ORDER RESOLVING RATES FOR UNBUNDLED NETWORK ELEMENTS AND INTERCONNECTION, WHOLESALE DISCOUNT FOR SERVICES AVAILABLE FOR RESALE, AND OTHER MATTERS

Introduction

By order dated October 11, 1996, the Commission consolidated the above-referenced arbitration cases for hearing purposes in accordance with section 252(g) of the Telecommunications Act of 1996 ("the Act"). The October 11 order was issued in response to the Federal Communications Commission ("FCC") findings In the Matter of Implementation of the Local Competition Provisions in the Telecommunication Act of 1996 (First Report and Order, CC Docket No. 96-98, released August 8, 1996) ("FCC Order"). The FCC Order established default proxy prices and ranges that a state commission could utilize if the cost information available to it within the arbitration time frame was insufficient for the state commission to set permanent rates. The October 11 order stated that the Commission would receive evidence on GTE South, Inc.'s ("GTE") cost studies and the default proxies, and it provided a date for the parties to file additional testimony on those topics. The Commission also required its Staff to file a report on the unresolved issues between the parties consistent with Rule 4:9 of the Commission Rules of Practice and Procedure and the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act adopted in Case No. PUC960059.

On October 15, 1996, the Court of Appeals for the Eighth Circuit made permanent a stay of the pricing provisions and the "pick and choose" provision of the FCC order.

On October 23, 1996, the Commission entered an Interim Order reflecting the changes in the consolidated hearing process necessitated by the Eighth Circuit stay. The Commission allowed the parties additional time to file testimony and evidence on GTE's cost studies and the proxies, and the Commission extended the time for the Staff to file a report on the wholesale discount for services available for resale and prices for unbundled network

elements and interconnection. The Commission received evidence from the parties and the Staff on the pricing and resale issues during hearings held November 19-22, and November 25-26, 1996.

Wholesale Discount for Services Available for Resale

GTE's primary avoided cost study was based on nation-wide data. The Commission should not determine a Virginia wholesale discount without data that is Virginia specific or at least tailored for Virginia. Due to GTE's inability to furnish Virginia data, we have concluded that our wholesale discount shall be in effect until we can establish the discounts based upon Virginia data, to the extent practicable, in a manner satisfactory to the Commission; we expect that this process will take approximately one year from the date of this order. Until we can establish the discounts, and except as modified in this order, we will use the Staff's methodology of determining proportions of costs excludable and avoidable taken from the workcenter analysis contained at pages 15-18 of Ex. Staff-P-49. As modified herein, those proportions of avoidable costs will be applied to GTE ARMIS total company 1995 accounting data for the Contel service territory.

The language of the Act, § 252(d)(3) referring to ". . . costs that will be avoided . . ." is interpreted as those costs that would be reasonably avoidable by a local exchange company furnishing only wholesale service. We calculate only two discounts, one with GTE furnishing all services and another for GTE furnishing all services except directory assistance and call completion.

There should be few restrictions on services available for resale. We agree with the Staff that only Part 64 services, access services, the customer premises portion of public telephone service, billing and collection services, vertical white pages directory services, and yellow pages advertising should be excluded from resale. Further restrictions pursuant to 47 C. F. R. § 51.613 are cross-class selling and promotions of 90 days or less. Grandfathered services should not be resold except to the same limited group that had purchased them in the past, consistent with 47 C. F. R. § 51.615. It is also reasonable and non-discriminatory to restrict resale of means-based services such as the Virginia Universal Service Plan, as GTE proposes. No other restrictions are permissible. Section 251(c)(4)(A) requires GTE to offer ". . . for resale at wholesale rates any telecommunications service . . . ." We find no restriction allowable for any residential or other GTE retail service that GTE claims to be priced below costs.

We agree that a local exchange company furnishing only wholesale service would incur some new costs in acting as a wholesaler. While we question that costs related to special access are an accurate representation of such new costs, we will allow 53¢ per month, as urged by GTE, per average 1995 network access line, as an avoidable cost offset of $2,849,000. We do so because we find that some amount should be included and this is the only amount presented. This and other aspects of the discount need to be more fully examined in a proceeding which the Commission will establish in the near future. We find no statutory or other basis for including "opportunity costs" for revenues that GTE may forego when it is acting as a wholesaler.

We adopt the "Avoidable Costs" shown in column H of Attachments 2 and 2A of Ex. Staff-P-49, except for the direct and indirect accounts discussed below. For Account No. 6611 (Product Management), we agree with AT&T Communications of Virginia, Inc. ("AT&T") that $1,184,000 is avoidable. For Account No. 6613 (Product Advertising), we agree with GTE that $1,737,000 is avoidable. Based on the evidence, we determine that 80% of Account No. 6623 (Customer Services), less non-regulated expenses, is avoidable. Therefore, the account has $15,491,000 of avoidable expenses.

We agree with AT&T's methodology of determining the indirect allocations, i.e. directly avoided expenses divided by total direct expenses including depreciation, but less non-regulated expenses and Staff exclusions for Accounts 6110, 6220, 6510, 6612, 6621, and 6622. This results in indirect factors of 15.97% and 14.90%, when GTE does not provide operator services and when GTE does provide operator services, respectively, for determining avoidable indirect expenses. We have applied these factors to Accounts 6120, 6710, and 6720, less non-regulated expenses to determine avoidable indirect expenses. We agree with AT&T that 20% of Account No. 6533 (Testing Expense) and No. 6534 (Plant Operations Administration Expense) are avoidable; that is, $859,000 and $1,237,000, respectively. We also agree with Staff that no depreciation and no return on rate base is avoidable.

As a result of treating all the accounts as indicated above, we calculate the wholesale discount by placing total avoidable costs in the numerator and dividing by a denominator consisting of the revenue corresponding to the services represented by the numerator; that is, the revenues shown in Attachment 1 of Ex. Staff-P-49. For the Contel service territory of GTE, that calculation produces a discount of 20.6% when GTE provides directory assistance and call completion services and 23.4% when GTE does not furnish those services.

Pricing of Unbundled Elements and Interconnection

The Commission was presented with two cost models, the GTE model and the Hatfield model, for the purposes of establishing unbundled network element pricing and rates for interconnection. GTE argued that its model represented GTE's forward-looking costs, or Total Element Long Run Incremental Costs ("TELRIC"). The costs derived from GTE's TELRIC model were utilized as a starting point with GTE's proposed prices being determined utilizing a Market-determined Efficient Component Pricing Rule ("M-ECPR") methodology. GTE recommends that its rates be adopted as permanent rates, or interim rates subject to a true-up. GTE further claims that adoption of the FCC proxy rates, adoption of any interim rates other than its own, without a true-up, or adoption of any rates other than its own as permanent rates would result in an unconstitutional taking of its property.

The Hatfield model, jointly sponsored by AT&T and MCI Telecommunications Corporation of Virginia, Inc. and MCImetro Access Transmission Services of Virginia, Inc. (collectively "MCI"), was also presented as a TELRIC model representing GTE's forward-looking costs. The Hatfield model was used to establish AT&T/MCI proposed prices for many network elements and interconnection. The Staff's proposal was also based on the Hatfield model; however, the Staff ran the model to modify it and test for sensitivity to a number of weaknesses in the model inputs that the Staff observed.

The GTE model was subject to many criticisms by the parties and the Commission Staff. The model was deemed a "black box," in that, despite requests for access, the model was not made available to the parties or the Commission Staff to determine the reasonableness or validity of its assumptions and inputs, or to run it with revised input data or assumptions. This meant that the model's operation and assumptions could not be tested or effectively challenged by others. In addition, the parties argued, despite GTE's claims to the contrary, that the model actually contained considerable data that was not specific to GTE's operations in Virginia. Evidence showed that the drop lengths utilized in the GTE model were based on a Texas sample study, not a Virginia sample study. The fill factors utilized were assumed constant rather than being Virginia-specific actuals or based on an empirical study. The parties also asserted that the mix of cable was not based on the Virginia mix in the network, and that the selection of the wire center

sample was flawed. The parties also asserted that the computation of material and labor investment was undocumented and the switch costs were unverifiable.

On the other hand, GTE and the Staff criticized the Hatfield model. GTE argued that the Hatfield model did not accurately represent GTE's actual drop lengths or fill factors. In GTE's view, Hatfield also assumed an improperly low cost of capital and a depreciation schedule with economic lives that were too long. GTE further asserted that Hatfield used national default values for inputs, rather than Virginia specific information. Finally, GTE criticized Hatfield for understating GTE's joint and common costs. No party, however, claimed that access to the Hatfield model was denied.

The Commission finds merit in the criticisms of the models. We find that the evidence presented by the parties was not adequate to allow us to choose either the GTE or the AT&T/MCI Hatfield model results for determining costs to be used for setting permanent rates. Neither will the Commission impose the FCC default proxies in this case. Therefore, the Commission adopts the Staff's proposal for rates for unbundled elements and interconnection as set out in Attachment A. While the Staff utilized the Hatfield model to determine rates, certain inputs were adjusted to reflect specific concerns identified by GTE to the Staff. Based on the limited record in this proceeding, the Staff's approach is the only reasonable option presented for unbundled network elements and interconnection rates.

Despite our concerns with the models presented by the parties, the Commission must resolve the unresolved issues of unbundled network element and interconnection prices by the nine-month statutory deadline set forth in § 252(b)(4)(C) of the Act. We find it contrary to the intent of the Act and the overall public interest to set permanent prices based on the record before us. In this proceeding, we have completed the most thorough analysis we could in the limited time available under the Act. Moreover, the models presented each have flaws, and there was limited time and opportunity for analysis and possible modification of the models by the parties, the Staff, and the Commission. However, since the Act requires that we resolve the unresolved issues by the statutory deadline, the rates set forth in this proceeding will be effective from the date of this order and will be replaced by rates set in the pricing proceeding that we will initiate shortly. We expect the rates will be replaced by permanent rates in approximately one year. This pricing proceeding will give the Commission adequate time to evaluate any cost models and/or other proposals submitted. Therefore, it is necessary for any cost models submitted in that proceeding to be readily available to the parties to operate and include Virginia-specific data to the extent practicable and appropriate. Although, in the current proceeding, the Staff's proposed rates are based on outputs of the Hatfield model, the Commission's decision herein is not an approval of the Hatfield model for purposes of determining permanent rates. The record before us is simply not adequate to allow us to do so.

The Commission finds that pricing according to the M-ECPR is not consistent with the Act. Section 252(d)(1) of the Act provides for rates for network elements and interconnection based on costs, which may include a reasonable profit. Prices set at a market-determined level as envisioned by the M-ECPR method could actually result in over or underrecovery of costs because the market-based price could be above or below GTE's cost. However, the Commission's rejection of the M-ECPR methodology should not be construed to mean that the Commission rejects the right of an incumbent local exchange carrier ("ILEC") to recover an appropriate share of joint and common costs or a reasonable profit in its prices under § 252(d) of the Act.

The Commission also denies GTE's request for an end user surcharge. GTE did not present evidence of the amount of any potential end user surcharge, nor did it prove the need or propriety in this proceeding for the imposition of such a surcharge.

The Commission does find some merit in GTE's concern regarding potential loss of contribution from the subsidies inherent in the rates for access and intraLATA toll services. GTE's claim is that through the provision of unbundled elements, the contributions from other services such as access charges and intraLATA toll services will be eliminated. The Commission believes that the risk of any significant revenue loss is minimal and will be further minimized through either FCC or state proceedings on Universal Service and access reform. However, the Commission will adopt GTE's proposal regarding the application of certain switched access charge elements to carriers that purchase an unbundled local switching element from GTE during the period when the rates established in this order are in effect. This finding may be modified through any decisions in the Universal Service or access reform proceedings at either the state or federal level. Allowing GTE to assess switched access charges in these circumstances would continue revenue contributions from access and intraLATA toll services to be retained by GTE during the period when rates set by this order are in effect. This decision should address GTE's claim that it may underrecover its costs.

OTHER MATTERS

GTE asserted that a wholesale discount or rates for unbundled network elements or interconnection other than its own would result in an unconstitutional taking of its property. The Commission has established a wholesale discount and prices for unbundled network elements and interconnection in accordance with § 252(d) of the Act, thereby fulfilling our duties under the Act. We find no evidence in the record to indicate that our order will result in an unconstitutional taking of property. GTE's concern that its rates and revenues subject to our jurisdiction may become insufficient to cover its costs may be adequately addressed, if necessary, in other proceedings under its Alternative Regulatory Plan and as permitted by the Code of Virginia. GTE has a proceeding under its Alternative Regulatory Plan, Case No. PUC950019, currently pending before the Commission.

The Commission rejects GTE's request for restrictions on the recombination of unbundled elements. GTE is required to provide any Commission-approved unbundled network element in any technically feasible manner for the provision of telecommunications service in accordance with § 251(c)(3) of the Act. The petitioners may combine such unbundled network elements to provide telecommunications services.

The Commission adopts a bill-and-keep methodology for mutual traffic termination as agreed upon by all parties in this proceeding. A traffic imbalance threshold of plus or minus ten percent shall be used. The Commission determines that the rates for traffic imbalance to be utilized are those recommended by the Staff as identified in Attachment A.

The Commission has been requested to arbitrate rates for poles, ducts, conduit, and rights-of-way. On December 2, 1996 Cox Fibernet Commercial Services, Inc. ("Cox") filed a joint motion with the Virginia Cable Telecommunications Association requesting that the Commission limit its decision on this issue to only the arbitration participants. 47 U. S. C. § 224 governs regulation of pole attachments and provides a method for states to assert jurisdiction over the rates, terms and conditions for pole attachments. The parties to this proceeding have requested that the Commission arbitrate rates for poles, ducts, conduit, and rights-of-way. We believe that the parties should compute the rates for poles, ducts, conduit and rights-of-way in accordance with 47 U. S. C. § 224(d)(1). The Commission's resolution of this issue should in no way be construed as the assertion of jurisdiction of this matter or the promulgation of rules and regulations for pole attachments under 47 U. S. C. § 224.

The Commission has also been requested to resolve the issues of non-recurring charges for unbundled network elements, rates for collocation, cross-connection, and the cost and cost-recovery mechanism for interim number portability. These rates are set forth in the ordering paragraphs herein.

Having considered the evidence on these issues as presented by the parties herein, and in accordance with the Act and the applicable law, the Commission is of the opinion and orders that:

(1) The wholesale discounts GTE offers for services available for resale are 20.6% when GTE furnishes directory assistance and call completion services and 23.4% when GTE does not furnish those services. These rates are effective until the Commission replaces the discounts in a future proceeding.

(2) GTE shall provide its retail services on a wholesale basis consistent with conditions set forth herein.

(3) The rates for unbundled network elements and interconnection shall be the rates set out in Attachment A to this order. These rates shall remain in effect until they are replaced with permanent rates as set in the pricing proceeding which will be initiated in the near future. The rate for the unbundled loop shall be geographically deaveraged into three density zones utilizing the methodology proposed by the Staff. GTE is required to provide any necessary information in a timely manner to the Staff and the other parties to calculate the deaveraged unbundled loop rates.

(4) Carriers will be assessed the applicable GTE interstate or intrastate switched access charge elements of End Office Switching, Carrier Common Line ("CCL") and Interconnection Charge ("IC") when a carrier purchases GTE's unbundled local switching element.

(5) GTE shall provide any Commission-approved unbundled network element in any technically feasible manner for the provision of telecommunications service in accordance with § 251(c)(3) of the Act. The petitioners may combine such unbundled network elements to provide telecommunications services.

(6) The Commission adopts a bill-and-keep methodology for mutual traffic termination as agreed upon by all parties in this proceeding. A traffic imbalance threshold of plus or minus ten percent shall be used. The Commission determines that the rates for traffic imbalance to be utilized are those recommended by the Staff as identified in Attachment A.

(7) The rates for poles, ducts, conduits and rights-of-way shall be computed in accordance with 47 U. S. C. § 224(d)(1). The Commission does not, by this order, assert jurisdiction over these issues or promulgate rules and regulations for pole attachment under 47 U. S .C. § 224.

(8) Until the rates are replaced by the pricing proceeding, the non-recurring charges for unbundled network elements shall be as follows:

(a) The non-recurring charge for the initial service order shall be $20.71 per order as proposed by Staff.

(b) The non-recurring charge for the subsequent service order change shall be $6.97 per order as proposed by Staff.

(c) The non-recurring charge for the transfer of service charge shall be $7.02 per order. This rate was determined by utilizing the relationship of GTE's proposed initial order charge to its proposed transfer of service charge and applying that percentage to the Commission-approved rate in 7(a) herein.

(d) The non-recurring charge for the customer service record research shall be $5.25 per request as proposed by GTE.

(e) The non-recurring charge for each unbundled loop shall be $10.25 as proposed by GTE. The non-recurring charge for each unbundled port shall be $10.25 as proposed by GTE. There will be no installation charge when the CLEC orders both the loop and switching elements together and GTE does not perform an installation function.

(f) The loop facility charge shall be billed in 15 minute increments as proposed by the Staff. The rate for each 15 minute increment shall be $7.68.

(9) Interim number portability for GTE shall be handled by the "track and true-up" method proposed by the Staff. Under this method, local exchange carriers track their quantity of ported numbers and, once the Commission establishes a rate and cost recovery method, there will be a retroactive true-up with appropriate Commission determined interest charges. An industry task force that represents the telecommunications carriers in the state shall be established to seek agreement on a cost recovery mechanism for interim number portability in conformance with FCC requirements. The Commission Staff shall participate in this task force.

(10) The rates for collocation and the cross-connect shall be those rates as identified by Exhibit GTE-DT-21, Attachment 5, in the TELRIC column. These charges shall be in effect until replaced by permanent rates set in the pricing proceeding.

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

CASE NO. PUC960117
DECEMBER 11, 1996

PETITION OF
AT&T COMMUNICATIONS OF VIRGINIA, INC.

For arbitration of unresolved issues from interconnection negotiations with GTE South, Inc. pursuant to § 252 of the Telecommunications Act of 1996

ORDER RESOLVING NON-PRICING ARBITRATION ISSUES AND REQUIRING FILING OF INTERCONNECTION AGREEMENT

On October 23, 1996, the Commission issued an interim order which, among other things, scheduled a hearing for December 2, 3, 4, and 6 to receive evidence on the remaining issues common to Case Nos. PUC960117, PUC960118, PUC960124, and PUC960131 as well as all remaining issues in Case Nos. PUC960117 and PUC960118. By this order, the Commission resolves the following non-pricing issues in dispute between AT&T Communications of Virginia, Inc. ("AT&T") and GTE South, Inc. ("GTE"):

(1) Availability as Unbundled Elements
(2) Unbundled Switch Element Definition
(3) Unbundling of Dedicated and Common Transport
(4) Transport and Termination Interconnection Points
(5) Charges for 800/888 Database Dips
(6) AIN and SS7 Access and Interconnection
(7) Collocation Equipment Types
(8) Collocation Locations
(9) Collocation Security
(10) Direct Interconnection of Collocated CLECs
(11) Collocation Facility Construction
(12) Reservation of Collocation Space
(13) Access to Poles, Ducts, Conduits and Rights-of-Way
(14) Access to Operator Services and Directory Assistance (OS/DA)
(15) Access to Directory Assistance Databases
(16) Interim Number Portability Methods
(17) Operations Support Systems (OSS) Access
(18) Recovery of OSS Costs
(19) Arbitration of Contract Terms and Conditions
(20) GTE Financial Responsibility for Errors
(21) Service Standards
(22) Agreement Term
(23) Bona Fide Requests and Dispute Resolution
(24) Most-Favored-Nation Clause
(25) Reciprocity
(26) Tariff Precedence Over Interconnection Agreement
(27) PIC Changes
(28) Authorization to Release Customer Information
(29) Billing and Usage Records

On December 2, 1996, GTE, AT&T, and MCI submitted a stipulation ("Stipulation") which resolved several issues in controversy. The parties shall include all the stipulated issues in their interconnection agreement.

Having considered the evidence, and in accordance with the Telecommunications Act of 1996 ("the Act"), the Commission is of the opinion and orders that:

(1) GTE must unbundle the elements as defined in the FCC's Interconnection Order In the matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, CC Docket No. 96-98 ("FCC Order"). Those elements include: local loops, Network Interface Device ("NID"), local switching, tandem switching, interoffice transmission facilities (including both dedicated and common transport), signaling links, call-related databases (only via the linked Signal Transfer Point ("STP")), STPs, Service Creation Environment, Service Management System, operations support system functions, operator services, and directory assistance. GTE need not make dark fiber available as an unbundled element.

(2) The unbundled switch element shall include all of the features, functions, and capabilities of the switch. Access to the switch as an unbundled element shall include the same basic capabilities that are available to GTE's customers, including telephone number, directory listing, dial tone, signaling, access to 911, operator services, directory assistance, and all vertical features, including custom calling, CLASS features, Centrex, as well as any technically feasible customized routing functions. Access to third-party, call-related databases that are not already connected to GTE's network shall not be available at this time. This database access issue may be revisited once the FCC has more closely examined the technical feasibility of interconnecting these databases to the incumbent LEC signaling systems. Advanced Intelligent Network ("AIN") triggers shall not be unbundled at the present time.

(3) GTE shall provide both dedicated and common transport on an unbundled basis.

(4) AT&T shall be entitled to a presumption that the existence of an interconnection at a given point demonstrates the feasibility of interconnection at that point for other Competitive Local Exchange Carriers ("CLECs"). GTE may rebut this presumption with a specific showing of infeasibility.

(5) When an AT&T customer makes a toll-free call, GTE should not charge AT&T for a database dip where GTE is the service provider for the customer receiving the 800/888 call. GTE states, however, that it does not have the ability to determine when AT&T should not be billed. The parties should investigate whether a system can be developed to determine the identity of the service provider. GTE may charge AT&T the efficiently incurred incremental costs of any such system. In addition, AT&T and GTE shall consider the development of an allocation factor to reflect the percentage of 800/888 calls where GTE is the service provider.

(6) GTE shall provide AT&T with access to its Signaling System 7 ("SS7") on an unbundled basis. Access will be at any STP. GTE will provide access to its Service Control Points ("SCPs") through STP pairs that serve the SCPs. GTE shall provide access to its signaling links and Service Management System as unbundled elements. GTE shall provide AT&T with access (equivalent to that which it provides itself) to the GTE Service Creation Environment to design, create, test, deploy, and provide AIN-based features. The parties shall incorporate reasonable security measures. AT&T requests will be subject to mutually agreeable request, review, and testing procedures. When AT&T uses a GTE local switching network element, and when AT&T requests GTE to provide AT&T with a technically feasible AIN trigger, GTE shall provide access to the appropriate GTE AIN call-related database for the purpose of invoking either a GTE AIN feature or an AT&T-developed AIN feature. Similarly, when AT&T uses its own local switch, GTE shall provide access to the appropriate GTE AIN-related database. Any mediation to GTE's AIN database must be performed on a competitively-neutral and nondiscriminatory basis. Any network management controls necessary to protect the SCP from an overload condition must be applied on a nondiscriminatory basis for all users of the database, including GTE. Any load mediation will affect all links to the STP, including GTE's, in a like manner. AT&T shall provide the information necessary to ensure that GTE is able to engineer sufficient capacity on the GTE AIN SCP platform.

(7) AT&T may collocate only that equipment which is used for interconnection and access to unbundled elements. AT&T may collocate remote switching modules, but this equipment may not be used to switch traffic.

(8) AT&T may collocate at any GTE premises where it is technically feasible to do so, where space is available, and where the collocation is being used to interconnect or to secure access to unbundled elements. A predesignated list of inappropriate collocation locations is not necessary or appropriate.

(9) GTE may impose reasonable security measures to separate AT&T's collocation facilities from GTE's facilities. GTE is not required to secure prior Commission authorization to implement these measures; however, the reasonableness of any measure is subject to Commission review upon the objection of AT&T. GTE is entitled to compensation for the efficient, incremental cost of any added security measures that are imposed by collocation; provided that those costs can be shown to be distinct from costs already recovered by GTE and provided that those costs are charged to all benefiting CLECs on a competitively-neutral basis.

(10) AT&T may directly interconnect with other CLECs who are collocated at GTE premises for the purpose of interconnection with GTE or access to GTE network elements. GTE shall, upon request, abut collocation facilities where feasible and where space permits. When the collocation cages directly abut one another, the collocators may provide their own interconnection facilities in such circumstances that do not adversely impact GTE's coordination and technical management of the collocation space; otherwise, GTE shall retain the right to determine who should provide the cross connection.

(11) GTE shall permit the subcontracting of collocation cage construction with contractors approved by GTE. GTE's approval of contractors shall be based on the same criteria that GTE uses for approving its own contractors.

(12) GTE shall make collocation space available on a first-come-first-served basis. GTE may reserve collocation space for a planning horizon period not to exceed two years. GTE must allow similar space reservation for AT&T. GTE must validate the pre-existence of its collocation space plans by either submitting the plans to AT&T or by filing plan lists containing sufficient information to validate the pre-existence of the plans.

(13) GTE shall provide access to all pathways that it uses to connect its distribution system to customers. It shall provide access to the maximum extent that is consistent with its ownership or control. GTE may exclude or condition access on the basis of capacity, safety, reliability, and generally applicable engineering standards, provided that such exclusions and conditions are consistent with those that GTE applies to its own use of poles, ducts, conduits, and rights-of-way. A list of automatically excluded rights or facilities is not appropriate. Within 30 days of a request for access, GTE must make space available; alternatively, it must demonstrate within 15 days of the request that it is not practical to provide space within 30 days. Once access has been approved by GTE, AT&T shall have a period of 90 days following its commitment to begin to use the facilities in question, unless AT&T can show cause within 45 days why events beyond its control prevent it from doing so. In addition, GTE and AT&T may reserve space on poles, ducts, conduits, and rights-of-way for a period of two years on terms and conditions to be agreed upon by the parties.

(14) GTE must make operator services and directory assistance available as unbundled elements. GTE shall provide customized routing for operator services and directory assistance in a resale and an unbundled element environment, wherever it is technically feasible. Where AT&T can show that the same switch type is being used in Virginia or in another state by GTE or another local exchange company to provide customized routing, there shall be a presumption that all GTE switches of the same type in Virginia can provide equivalent customized routing. GTE shall be entitled to rebut that presumption within 30 days by presenting clear and convincing evidence of any differences that affect the ability of its switches in Virginia to provide similar call routing services. GTE shall also be permitted to show the incremental costs of making its Virginia switches capable of providing such customized routing. It shall be entitled to recover from CLECs the efficient incremental costs of providing this capability. Where and for so long as GTE cannot provide customized routing or branding, it shall unbrand operator services and directory assistance for all carriers' end-use customers, including its own. Moreover, for any interconnection agreement service that requires customized routing involving switches, AT&T shall, as a condition to having access to such service, agree to indemnify GTE for any consequences of the voiding of manufacturer warranties caused by that routing. Upon such agreement by AT&T, GTE shall not be permitted to refuse customized routing on the basis of a claim that it will void such a warranty.

(15) GTE shall provide AT&T with magnetic tapes of its directory assistance databases, with daily updates. GTE shall continue to provide them until GTE can install electronic gateways that will allow AT&T to gain access to the databases. The efficient incremental costs that GTE incurs to

prepare and deliver the tapes and the subsequent costs to develop electronic gateways may be charged to the benefiting CLECs on a competitively neutral basis.

(16) GTE shall implement interim number portability ("INP") though Remote Call Forwarding and Direct Inward Dialing as required by the FCC's Interim Number Portability Order. GTE shall make Directory Number-Route Index ("DN-RI") available upon request, but the total incremental cost should be borne by AT&T. If other CLECs elect to use DN-RI for INP, then the efficiently incurred incremental costs of DN-RI should be distributed among the using CLECs on a proportional basis to be agreed to by the parties.

(17) GTE must provide AT&T with nondiscriminatory access to its operations support systems ("OSS"). Pending the development of full electronic on-line access capability, GTE will provide such interim access as is technically feasible. GTE shall be compensated for its efficient incremental costs in providing interim access. It shall charge the costs in a competitively-neutral manner to the CLECs who participate in gaining such access. GTE shall also work with AT&T to develop other mutually agreeable interim measures between now and the filing of the interconnection agreement. GTE shall also work diligently and promptly to prepare and implement a schedule for implementing full-scope electronic access to its operations support systems. GTE shall file, on or before April 1, 1997, a detailed schedule for implementing such electronic access. That schedule shall require the complete implementation of full-scale, fully electronic access on or before May 1, 1998, unless the schedule that is to be filed on or before April 1, 1997, proposes a later date and presents adequate justification of the infeasibility of completing implementation before the later date proposed. In the event that any CLEC shows that GTE proposes a longer schedule for implementation in Virginia than it proposes for any other state, GTE shall also be required to show cause why it cannot meet a similar schedule in Virginia. Electronic access shall not be considered complete if it requires any greater level of human intervention than is required for GTE's own access. Electronic access shall not be considered complete unless it includes pre-ordering, ordering, provisioning, maintenance and repair, and billing.

(18) GTE has access to OSS, and providing OSS access to CLECs will benefit CLECs. Therefore, GTE shall be able to recover from CLECs its efficiently incurred costs of developing and implementing measures that provide CLECs with OSS access. Because the nonrecurring costs of developing access measures may be substantial, it is reasonable to impose an amortization period that does not exceed four years in length, provided that GTE is assured of full recovery of all such efficiently incurred costs in a manner that reflects the time value of money. Inasmuch as GTE will be assured of being made whole, it is reasonable to permit the petitioning CLECs to propose cost sharing mechanisms that meet the criteria that we have established to assure GTE recovery over a limited period of time. Therefore, the petitioning CLECs who seek OSS access shall propose a mutually-agreeable approach for providing such recovery, and GTE may comment upon any such proposed approach. GTE shall not be required to make expenditures to develop access measures (except for the preparation of the required schedule noted above) until a CLEC-recovery method is proposed and accepted by this Commission. If there is no agreement among the CLECs, the Commission will order a recovery method at the request of any CLEC, after an opportunity for GTE and other CLECs to respond. CLECs who gain access through the permanent measures to be implemented must also compensate GTE for the efficiently incurred recurring costs of implementing those measures. Such compensation shall be on a reasonably accurate and efficiently-implementable usage basis that the parties may propose or that the Commission may order. If an effective usage-based billing system is not identified, each participating CLEC shall share the monthly cost of such implementation in proportion to its share of total GTE revenues for the month from all participating CLECs for operations in Virginia under interconnection agreements (e.g., if three CLECs participate, the first pays GTE $1 for all interconnection agreement services in Virginia, the second pays $2, and the third pays $3, then their share of recurring OSS access costs for that month, respectively, will be 1/6th, 1/3rd, and 1/2).

(19) If the parties cannot agree on contract language, each party shall present a draft of its proposed contract language to the Commission. The Commission then will determine the appropriate language, which may be different from the language proposed by either party. The parties shall file the interconnection agreement within 60 days from the date of this order, as set forth in Paragraph 30 of this order.

(20) GTE shall not be required to accept AT&T's revenue loss indemnification proposal or any other performance-related credits or penalties beyond those already set forth in GTE's retail service tariffs in Virginia. GTE may not at this time limit its liability or the recovery of damages, as compared with what the law of the Commonwealth would provide in the absence of explicit contract language. The parties may propose and address the costs and revenue levels involved with such clauses in the forthcoming pricing proceeding.

(21) GTE shall provide services to AT&T at the same level of performance that GTE provides to itself. GTE shall offer premium service to AT&T if AT&T requests it and compensates GTE for the incremental cost of providing the premium service. GTE shall provide reports to AT&T on all material measures of service parity. AT&T may request a report on all measures that are reasonably related to establishing the parity level and whether AT&T is receiving services at parity. CLECs shall bear the incremental costs, allocated on a competitively-neutral basis, of providing any reports that GTE does not provide for internal use or is not obligated to provide for regulatory purposes.

(22) The interconnection agreement shall be in effect for a term of two years. At least 90 days before the term expires, AT&T shall file with the Commission any request for an extension of that term, and shall on the same day provide notice to GTE. At least 60 days before the term expires, GTE shall respond to the requested extension. If a new agreement has not been reached by the end of the two year term, the existing interconnection agreement shall continue, under the same terms and conditions subject to a true-up, until resolved by the Commission.

(23) Either party may make a bona fide request regarding the availability and price for new interconnections or network elements, new technical or operations issues, or materially changed circumstances. The other party shall respond to a bona fide request within 30 days after receipt of the request. Any dispute arising from a bona fide request, or interpretation of the interconnection agreement, may be addressed in accordance with the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996 and the Commission's Rules of Practice and Procedure. AT&T and GTE shall file with the Commission any negotiated material modification or addition to the Interconnection Agreement within 30 days after reaching agreement on the modification or addition.

(24) AT&T's request for a "most favored nation" clause in the interconnection agreement is denied. AT&T retains all rights specified in Section 252(i) of the Act.

(25) The Act does not require reciprocal obligations for unbundling and resale to be imposed on AT&T. Therefore, the Commission rejects GTE's request for mutuality and reciprocity.

(26) A GTE tariff filing will not supersede the interconnection agreement, unless the filing expressly provides otherwise and AT&T is provided with notice at the time of filing.

(27) Effective January 1, 1997, GTE shall return to an interexchange carrier any PIC change request by that carrier for any AT&T resale customer, and GTE shall notify the interexchange carrier that the customer is an AT&T customer. AT&T is entitled to receive separate bills from GTE for all PIC changes, provided AT&T pays the incremental costs of any changes necessary to implement the new billing procedure. GTE shall develop a simpler procedure whereby AT&T transmits PIC changes to GTE, provided AT&T pays the incremental costs of any changes necessary to implement the new procedure.

(28) GTE shall allow as-is switches where customers request them. GTE may not require written customer authorization for the release of customer proprietary network information as part of a change in service to AT&T, provided that AT&T has provided GTE with a blanket letter of authorization and a binding commitment to indemnify GTE against any customer claims.

(29) GTE shall provide AT&T with information necessary for AT&T to bill its customers. AT&T shall pay GTE's efficient recurring and nonrecurring incremental costs for providing the information. Each CLEC that benefits from such information shall bear a portion of GTE's costs, allocated on a competitively neutral basis.

(30) AT&T and GTE shall submit an interconnection agreement in this docket incorporating the applicable findings of the Commission as well as the parties' Stipulation in this case within sixty (60) days of entry of this order. The interconnection agreement shall be submitted in accordance with Paragraph 19 of this order, § 252(e) of the Act, and Section C(7) of the Commission's Procedural Rules for Implementing Sections 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059.

(31) This matter is continued generally.

CASE NO. PUC960118
DECEMBER 16, 1996

PETITION OF
COX FIBERNET COMMERCIAL SERVICES, INC.

For arbitration of unresolved issues from interconnection negotiations with GTE South, Inc. pursuant to § 252 of the Telecommunications Act of 1996

ORDER RESOLVING NON-PRICING ARBITRATION ISSUES AND REQUIRING FILING OF INTERCONNECTION AGREEMENT

On October 23, 1996, the Commission issued an interim order which, among other things, scheduled a hearing for December 2, 3, 4, and 6 to receive evidence on the remaining issues common to Case Nos. PUC960117, PUC960118, PUC960124, and PUC960131 as well as all remaining issues in Case Nos. PUC960117 and PUC960118. By this order, the Commission resolves the following non-pricing issues in dispute between Cox Fibernet Commercial Services, Inc. ("Cox") and GTE South, Inc. ("GTE"):

(1) Direct Interconnection of Collocated CLECs

(2) Collocation Facility Construction

According to Cox's post-hearing brief and matrix filed December 9, 1996, the parties have reached agreement in principle on most of the unresolved issues. Cox submitted a draft agreement on those issues as an attachment to Ex. Cox-FRC-39. The parties shall include those issues in the interconnection agreement.

On December 2, 1996, Cox and the Virginia Cable Telecommunications Association filed a motion to limit application of the Commission's ruling on access issues to parties seeking Commission resolution of those issues. On December 11, 1996, the Commission issued an order in the consolidated GTE arbitration proceeding and in Case No. PUC960017 which, among other things, addressed access to rights-of-way and pole attachment. The Commission's decision on those issues is limited to the parties and facts in those proceedings, and shall be not construed as the promulgation of rules and regulations. The Commission declines to assert jurisdiction over those issues under Section 224 of the Act.

Having considered the evidence, and in accordance with the Telecommunications Act of 1996 ("the Act"), the Commission is of the opinion and orders that:

(1) Cox may directly interconnect with other CLECs who are collocated at GTE premises for the purpose of interconnection with GTE or access to GTE network elements. GTE shall, upon request, abut collocation facilities where feasible and where space permits. When the collocation cages directly abut one another, the collocators may provide their own interconnection facilities in such circumstances that do not adversely impact GTE's coordination and technical management of the collocation space; otherwise, GTE shall retain the right to determine who should provide the cross connection.

(2) GTE shall permit the subcontracting of collocation cage construction with contractors approved by GTE. GTE's approval of contractors shall be based on the same criteria that GTE uses for approving its own contractors.

(3) Cox and GTE shall submit an interconnection agreement in this docket incorporating the applicable findings of the Commission as well as the parties' previous agreements within sixty (60) days of entry of this order. If the parties cannot agree on contract language, each party shall present a

draft of its proposed contract language to the Commission. The Commission will then determine the appropriate language, which may be different from the language proposed by the parties. The interconnection agreement shall be submitted in accordance with § 252(e) of the Act and Section C(7) of the Commission's Procedural Rules for Implementing Sections 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059.

(4) This matter is continued generally.

CASE NO. PUC960119
DECEMBER 19, 1996

APPLICATION OF
CCI TELECOMMUNICATIONS OF VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications service

FINAL ORDER

On August 22, 1996, CCI Telecommunications of Virginia, Inc. ("CCI" or "Applicant") filed an application for certificates of public convenience and necessity ("certificate") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia.

By order dated October 7, 1996, the Commission directed the Applicant to provide notice to the public of its application, directed the Commission Staff ("Staff") to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to CCI's application for a certificate to provide local exchange services.

On November 15, 1996, the Staff filed its report, finding that CCI's application was in compliance with the Commission's Rules for Local Exchange Telephone Competition, as adopted in Case No. PUC950018, and the Commission's Rules Governing the Certification of Interexchange Carriers, as amended in Case No. PUC850035. Therefore, the Staff recommended granting a local exchange certificate and an interexchange certificate to CCI.

A hearing was conducted on November 22, 1996. CCI filed proof of publication and proof of service as required by the October 7, 1996, scheduling order. At the hearing, the application and accompanying attachments, and the Staff Report were entered into the record without objection by the parties.

Having considered the application and the Staff Report, the Commission finds that CCI's application should be granted. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) CCI Telecommunications of Virginia, Inc. is hereby granted a certificate of public convenience and necessity, No. TT-30A, to provide interexchange services subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) CCI Telecommunications of Virginia, Inc. is hereby granted a certificate of public convenience and necessity, No. T-371, to provide local exchange telecommunications services subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(3) CCI shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(4) There being nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.

CASE NO. PUC960120
DECEMBER 19, 1996

APPLICATION OF
ALTERNET OF VIRGINIA

For a Certificate of Public Convenience and Necessity to Provide Local Exchange Telecommunications Services and to Amend its Interexchange Certificate of Public Convenience and Necessity

FINAL ORDER

On August 22, 1996, Alternet of Virginia ("Alternet" or "the Applicant") filed an application with the State Corporation Commission for a certificate of public convenience and necessity ("certificate") to provide local exchange telecommunications services throughout the Commonwealth of Virginia and to amend its certificate to provide interexchange telecommunications services from the Richmond metropolitan area to include the entire state.

By order dated October 7, 1996, the Commission directed the Applicant to provide notice to the public of its application, required the Commission Staff ("Staff") to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to Alternet's application to obtain a local exchange certificate and amend its interexchange certificate.

On November 13, 1996, the Staff filed its report, finding that Alternet's application was in compliance with the Commission's Rules for Local Exchange Telephone Competition, as adopted in Case No. PUC950018, and the Commission's Rules Governing the Certification of Interexchange Carriers, as amended in Case No. PUC850035. Therefore, the Staff recommended granting a certificate to Alternet for the provision of local exchange telecommunications services and amending its certificate to provide interexchange telecommunications services.

A hearing was conducted on November 22, 1996. Alternet filed proof of publication and proof of service as required by the October 7, 1996, scheduling order. At the hearing, the application and accompanying attachments, and the Staff Report were entered into the record without objection by the parties.

Having considered the application and the Staff Report, the Commission finds that Alternet's application should be granted. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Alternet of Virginia is hereby granted a certificate of public convenience and necessity, No. TT-21B, to provide interexchange telecommunications throughout the Commonwealth of Virginia subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order. Alternet of Virginia's certificate of public convenience and necessity, No. TT-21A, to provide interexchange services in the Richmond metropolitan area shall be canceled.

(2) Alternet of Virginia is hereby granted a certificate of public convenience and necessity, No. T-372, to provide local exchange telecommunications services subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(3) Alternet shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(4) There being nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.

CASE NO. PUC960122
DECEMBER 23, 1996

APPLICATION OF
R&B NETWORK, INC.

For a Certificate of Public Convenience and Necessity to Provide Local Exchange Telecommunications Services

ORDER

On September 3, 1996, R&B Network, Inc. ("R&B" or "Applicant") filed an application with the State Corporation Commission to amend its certificate of public convenience and necessity ("certificate") in order to provide local exchange telecommunications services in all or parts of the counties of Roanoke and Montgomery, the parts of Botetourt County that are currently within the service territory of Bell Atlantic-Virginia, Inc., and in the cities of Roanoke, Radford, and Salem. By order dated October 2, 1996, the Commission directed R&B to provide notice to the public of its application, directed the Commission Staff ("Staff") to conduct an investigation and file a report, and scheduled a public hearing.

On November 19, 1996, the Staff filed its report, which stated that R&B's application is in compliance with the Commission's Rules for Local Exchange Telephone Competition as adopted in Case No. PUC950018. The Staff noted that R&B submitted illustrative tariffs that did not include rate levels, and that once rates are established and complete tariffs are filed, the Staff will review the tariffs to ensure compliance with Commission rules and regulations. In addition, the Staff noted that for administrative reasons, R&B should be granted a new certificate for local exchange services, instead of an amendment to its existing interexchange certificate.

A hearing was conducted on November 22, 1996. R&B filed proof of publication and proof of service as required by the October 2, 1996 order. At the hearing, the application and the Staff Report were entered into the record without objection.

Having considered the application and the Staff Report, the Commission finds that R&B's application should be granted. Accordingly,

IT IS ORDERED THAT:

(1) R&B Network, Inc. is hereby granted a certificate of public convenience and necessity, No. T-373, to provide local exchange telecommunications services subject to the restrictions set out in the Commission's Rules for Local Exchange Telephone Competition and Virginia Code § 56-265.4:4.

(2) R&B shall provide tariffs to the Commission's Division of Communications which conform with all Commission rules and regulations.

(3) There being nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.

DIVISION OF ENERGY REGULATION

CASE NO. PUE870067
SEPTEMBER 10, 1996

PETITION OF
LAKE CAROLINE PROPERTY OWNERS ASSOCIATION

For a review of rate increases by Caroline Water Company, Inc.

DISMISSAL ORDER

On August 26, 1987, the Lake Caroline Property Owners Association ("Petitioners") filed a petition with the State Corporation Commission pursuant to Virginia Code § 13.1-620 (G) requesting that the Commission exercise jurisdiction over Carolina Water Company, Inc. ("the Company") and review the Company's proposed increase in rates and charges. In Order entered on February 2, 1988, the Commission assumed jurisdiction over the Company and scheduled a hearing for May 9, 1988.

By Hearing Examiner's Ruling entered on May 6, 1988, the hearing was canceled and the matter continued pending further ruling of the Examiner. This action was taken because the Company was operating under the protection of the U.S. Bankruptcy Court of the District of New Jersey and the Petitioners, the Company, and the Bankruptcy Trustee indicated that they were attempting to reach a mutually agreeable schedule of rates.

On July 23, 1996, the Hearing Examiner entered a ruling which invited interested parties to file written comments to show cause why the matter should not be dismissed without prejudice. On August 16, 1996, the Petitioners, by counsel, filed a letter stating that they had no objection to such dismissal.

On that same day, the Company, by counsel, filed a Motion to Dismiss with Prejudice. In support of the Motion, the Company noted that issues and disputes between the Company and Petitioners have been settled by the Bankruptcy Court and that new rates were placed into effect on April 1, 1988. The Company requested that the Commission dismiss the proceeding with prejudice as such action would acknowledge that the rate issue raised by the Petition had been resolved and the Commission had no retroactive authority regarding the effectiveness of those rates.

In an August 22, 1996 Report, the Hearing Examiner found that the matter should be dismissed with prejudice. Although the Examiner found such action appropriate in regard to issues raised in the 1987 Petition, he noted that the Petitioners always have the authority to challenge current rates on a prospective basis, or to challenge any future rate changes initiated by the Company. The Examiner recommended that the Commission enter an order consistent with his findings and recommendations.

NOW THE COMMISSION, having considered the Hearing Examiner's Report, is of the opinion that this case should be dismissed consistent with the findings and recommendations detailed in the Examiner's August 22, 1996 Report. Accordingly,

IT IS ORDERED, that this matter be and hereby is dismissed with prejudice and the papers placed in the file for ended causes.

Commissioner Moore did not participate in the consideration of this case.

CASE NO. PUE900009
SEPTEMBER 10, 1996

APPLICATION OF
THE POTOMAC EDISON COMPANY

To implement an electric add-on heat pump program as a promotional incentive

ORDER AUTHORIZING DISCONTINUANCE OF EXPERIMENTAL PROGRAM

On August 17, 1992, the Commission authorized The Potomac Edison Company ("Potomac Edison" or "Company") to conduct a limited experimental program providing cash incentives to install add-on heat pumps. The Commission limited the program to residences heated with fossil fuels other than natural gas. The number of cash payments and participants in the experiment were also limited. The Company was directed to report annually on its experience with the program.

In its 1992 order, the Commission determined that the experiment would conclude on September 1, 1996, when Potomac Edison would apply either to make the experimental program permanent or to discontinue the program. On August 28, 1996, Potomac Edison filed its annual report and applied to discontinue the program. The Company reported that the costs of add-on heat pumps were relatively high and that potential participants selected other heating and cooling systems. The Company concluded that any incentive program should be redesigned.

The Commission will grant Potomac Edison's request to discontinue this program. The Company conducted its experiment as authorized by our 1992 order, and its experience does not support making the program permanent. Accordingly,

IT IS ORDERED THAT:

(1) Authorization to conduct the experimental program is withdrawn and the experiment shall be discontinued.

(2) This case be closed and dismissed from the docket.

CASE NO. PUE910061
APRIL 5, 1996

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

FINAL ORDER

By order entered herein on November 8, 1991, the Commission accepted the offer of compromise and settlement made by the Defendant, Commonwealth Gas Services, Inc. ("CGS"), and retained jurisdiction in this matter pending CGS's compliance with certain provisions of the offer. Pursuant to the order, CGS was required to timely comply with the remedial action outlined in the order and to pay a penalty to the Commonwealth in the amount of $1 million, $200,000 of which was tendered contemporaneously with the entry of the order. The order further provided that the $800,000 balance of the penalty would be suspended and subsequently vacated, if CGS timely tendered certification of having taken the remedial action outlined in the order.

IT NOW APPEARING to the Commission that CGS has filed evidence of compliance of the remedial action outlined in the November 8, 1991 order,

IT IS ORDERED THAT:

(1) All issues raised in this matter concerning the Defendant's alleged violation of the Natural Gas Pipeline Safety Act be, and they hereby are, settled.

(2) The $800,000 balance of the penalty imposed on the Defendant be, and it hereby is, forgiven.

(3) This matter be, and it hereby is, dropped from the docket and the papers herein be placed in the file for ended causes.

CASE NO. PUE910075
FEBRUARY 22, 1996

APPLICATION OF
HIGHLAND LAKE WATER WORKS, INC.

For an increase in tariffs pursuant to Va. Code § 56-255.13:1 et seq.

DISMISSAL ORDER

In a final order entered on October 1, 1992, the Commission directed Highland Lake Water Works, Inc. ("the Company") to submit certain information to the Commission's Division of Energy Regulation ("Division"). That information concerned a metering plan that was designed to change the Company's rate structure from a flat rate to a metered rate.

In a document filed on February 12, 1996, Staff stated that the requested information was initially submitted to the Division on January 20, 1994 and that additional data was subsequently provided. Staff noted that no further information was required. Staff therefore recommended that this case be dismissed.

Accordingly, IT IS ORDERED THAT, there be nothing further to be done, the matter be and hereby is dismissed from the Commission's docket of active cases and the papers placed in the filed for ended causes.

CASE NOS. PUE920022, PUE880037, and PUE930070
APRIL 9, 1996

APPLICATION OF
DELMARVA POWER & LIGHT COMPANY

For approval to implement energy for tomorrow program, Rider EFG

APPLICATION OF
DELMARVA POWER & LIGHT COMPANY

For approval of experimental rates

APPLICATION OF
DELMARVA POWER & LIGHT COMPANY

For approval of experimental conservation program

ORDER IMPLEMENTING REVISED TARIFFS AND REQUIRING THE COMPANY AND THE STAFF TO FILE REPORTS REGARDING THE REVISED TARIFFS

On March 13, 1996, Delmarva Power & Light Company ("Delmarva" or "the Company") filed revised load management and conservation program tariffs ("revised tariffs") in the above referenced cases. The Company sought Commission approval of the revised tariffs as replacements for the current tariffs, that would expire in Case No. PUE920022 and Case No. PUE880037, on April 30, 1996, and that expired in Case No. PUE930070 on March 31, 1996. The revised tariffs sought to close the riders in these three cases to new customers effective the day after the current tariffs expire.

On April 8, 1996, the Staff of the State Corporation Commission ("Staff") filed a Motion to Implement the Revised Tariffs and Require the Company to File an Explanation of the Revised Tariffs. In its motion, the Staff noted that it did not have an opportunity to examine the revised tariffs, but was advised by the Company that the revised tariffs would not result in a rate increase for any existing customer. Therefore, the Staff requested that the revised tariffs be implemented but that the Company file an explanation of the revised tariffs, including any relevant cost benefit studies, by June 4, 1996. Staff then noted that it would investigate the nature of the revised tariffs and subsequently file a Staff Report, enumerating any concerns and recommending any changes by August 7, 1996.

NOW, having considered the Company's revised tariffs and the Staff's motion, the Commission is of the opinion that Staff's motion should be granted and that the Company's revised tariffs should be implemented on an interim basis; the Company should file an explanation regarding the revised tariffs and its reasons for changing the tariffs; and the Commission Staff should file a Staff Report after evaluating the revised tariffs. Accordingly,

IT IS ORDERED THAT:

(1) The revised tariffs shall be implemented on an interim basis, subject to Staff's Report and any recommendations therein;

(2) The Company shall file an explanation on or before June 4, 1996, regarding the revised tariffs and including any reasons for changing the tariffs with any relevant cost benefit studies, and shall provide any information to the Staff that is relevant to the Staff's investigation of the revised tariffs;

(3) The Staff shall file a Staff Report on or before August 7, 1996, after its investigation of the revised tariffs, and shall recommend any revisions or corrections thereto; and

(4) These matters are continued until further order of the Commission.

CASE NO. PUE920039
OCTOBER 16, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
PO RIVER WATER AND SEWER COMPANY,
Defendant

ORDER GRANTING CONDITIONAL EXTENSION OF TIME

In its motion dated September 30, 1996, Po River Water and Sewer Company ("Po" or "the Company"), by counsel, requested a one-year extension of the October 16, 1996 refund date and a one-year extension of the December 20, 1996 date for filing its refund verification document with the Division of Energy Regulation. The Commission established these filing dates in its October 31, 1994 Order in this matter.

In its motion, Po alleged that its cash flow was seriously affected by the extensive litigation brought by the Indian Acres Club of Thornburg ("IACT") in the Spotsylvania County Circuit Court, and the present rate proceeding (Case No. PUE950091) now pending before the Commission.

On October 3, 1996, the Commission entered an Order directing Po to file on or before October 9, 1996, a document advising the Commission of the amounts it has already refunded. It also directed the Staff and the parties to the proceeding to file responses, if any, to the Company's motion on or

before October 9, 1996, and to telefax a copy of their responses to Po and all other parties of record. Po was invited to file its reply, if any, to the responses by no later than October 11, 1996.

On October 9, 1996, IACT, by counsel, filed a response maintaining that the Company was responsible for its financial woes. It alleged, among other things, that Po's base of customers is declining because the Company has discontinued all collection efforts other than mailing bills. IACT also indicated that the refund amount specified in the Staff's response was based upon full payment and interest to 4,007 customers. It noted that "[i]f Po River is to be believed, many of these customers did not pay the increased interim rates and are therefore not entitled to a refund." Response at 7. It urged the Commission to deny the extension but noted that if the Commission granted an extension, the utility should be required to provide a bond to guarantee the payment of refunds to ratepayers.

The Staff filed its response on October 9, 1996. In its response, the Staff noted that Po had not made any of the refunds directed by the Commission. The Staff stated that the Company's proposed refund obligation appeared to be approximately three-fourths of the amount of the Company's cash receipts for the past twelve months. It recommended that the Commission grant Po's request for an extension of time and proposed that the Commission direct the Company to make refunds as offsets to the bills Po rendered to its customers on a quarterly basis, so that the Company's refunds could be completed promptly.

On October 15, 1996, Po filed its Motion for Extension of Time to file its reply, and tendered its reply. Po asserts, among other things, that the Commission is without authority to require it to post a bond. It also asserts that it cannot afford to make the required refunds at this time and continue to provide water and sewerage services.

UPON CONSIDERATION of the Company's motion, the Commission is disturbed that the Company waited until sixteen days before it was to complete its refund to request an extension of time. This concern is compounded by the Company's failure to begin to make refunds promptly when ordered to do so in our October 31, 1994 Order Denying in Part and Granting in Part a Petition for Reconsideration. Under the circumstances, we will grant Po an extension of time of one year from the date of entry of this Order to make its refunds with interest, subject to certain conditions. These conditions are: (1) Po provide a bond, in the amount of $300,000, secured either by an independent guarantor acceptable to the Commission or by Po's owners, The Carlyle Group, payable to the Commonwealth and conditioned to ensure the prompt refund by Po to those entitled thereto, of the amounts which the public utility has collected or received in excess of the rates and charges fixed in our October 11, 1994 Order; and (2) Po shall begin making these refunds with interest, beginning with its November 1, 1996 billing cycle and shall complete the refunds in four consecutive equal installments. Po may offset any refunds against outstanding balances owed by customers as authorized by Ordering Paragraph (5) of the October 11, 1994 Order.

Contrary to Po's assertions, the Commission finds that it does have authority to grant Po's motion with conditions, including the imposition of a bond. If Po elects not to accept the foregoing conditions, then it shall promptly begin refunding its overcollections in its November 1 billing cycle and shall complete said refund by December 1, 1996.

Accordingly, IT IS ORDERED THAT:

(1) Po shall be granted a one-year extension of time in which to make its refunds with interest and to file its proof and verification of refunds as provided by Ordering Paragraph (3) of the Commission's October 31, 1994 Order, conditioned upon Po providing a bond, in the amount of $300,000, secured either by an independent guarantor acceptable to the Commission or by Po's owners, The Carlyle Group, payable to the Commonwealth and conditioned to ensure the prompt refund by Po to those entitled thereto, of the amounts which such public utility has collected or received in excess of the rates and charges filed in accordance with the October 11, 1994 Order; and conditioned upon Po implementing its refunds in four consecutive equal payments, beginning with its November 1, 1996 billing cycle.

(2) Po shall file the bond required in Ordering Paragraph (1) hereto with the Clerk of the Commission on or before October 31, 1996, with security acceptable to the Commission.

(3) Po shall file a report with the Commission's Division of Energy Regulation within 30 days of each quarterly billing setting forth the amount of quarterly refunds, including interest, actually paid or provided by credit and the remaining unrefunded balance. The first such report shall be filed on or before December 1, 1996.

(4) If Po does not accept the conditions set forth herein, it shall begin its refund with interest on November 1, 1996, and shall complete the same by December 1, 1996, and shall file a report with the Commission's Division of Energy Regulation showing that all refunds have been lawfully made on or before January 1, 1997.

(5) Unless otherwise modified herein, the provisions of the October 11 and October 31, 1994 Orders shall remain in effect.

CASE NO. PUE930032
MAY 13, 1996

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of Peak Day Pricing Pilot - Rider K

DISMISSAL ORDER

On February 2, 1994, the State Corporation Commission ("Commission") entered an order which approved Virginia Electric and Power Company's ("Virginia Power's" or "the Company's") application for a residential rate design experiment. In its order, the Commission authorized the Company to implement its program on an experimental basis through November 30, 1995. It also directed Virginia Power to conduct an evaluation of the peak day pricing experiment and file its report and analysis not later than six months following the end of the rate experiment.

On May 7, 1996, Virginia Power filed its Report in the captioned matter. In its Report, the Company noted that the pilot program had concluded on November 30, 1995, with only ten Virginia and two North Carolina residential customers participating in the program. Virginia Power reported that because of the low customer acceptance rate, it was not seeking to make the pilot program permanent at this time. The Company stated that it had removed all program end use metering and associated load control equipment shortly after November 30, 1995, and notified each customer of the program's termination prior to November 1, 1995. Because the Company is not seeking to make its program permanent, it did not perform any cost/benefit tests on the pilot.

NOW, UPON CONSIDERATION of the foregoing, the Commission is of the opinion and finds that it is appropriate to conclude the rate design experiment designated as the "Peak Day Pricing Pilot - Rider K"; that there is insufficient data to justify making this program permanent; that the tariffs implementing Rider K should be cancelled; and that this matter should be dismissed from the Commission's docket of active proceedings.

Accordingly, IT IS ORDERED THAT:

(1) Virginia Power's residential rate design experiment designated as "Peak Day Pricing Pilot - Rider K" shall not be continued as a permanent program.

(2) Virginia Power's tariffs implementing Rider K as an experimental Peak Day Pricing Pilot shall be cancelled forthwith.

(3) This matter shall be dismissed from the Commission's docket of active cases, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. PUE930043
DECEMBER 9, 1996

APPLICATION OF
SMITH MOUNTAIN WATER COMPANY

To amend its certificate of public convenience and necessity pursuant to § 56-265.3(D)

ORDER AMENDING CERTIFICATE

By letter dated May 17, 1993, counsel for Smith Mountain Water Company ("Smith Mountain or "the Company") requested that the Commission allow the Company to amend its certificate to reflect the discontinuance of water service to customers residing in the Stripers Landing subdivision located in Franklin County, Virginia. Subsequently, the Company, on August 16, 1993, filed in the United States Bankruptcy Court for the Western District of Virginia ("the Bankruptcy Court") a voluntary petition under Chapter 11 of the U.S. Bankruptcy Code (Case No. 79301625). In that proceeding, the Bankruptcy Court approved and confirmed the sale of a portion of the Company's assets used to serve the Stripers Landing subdivision.

In orders entered on September 29, 1994, as subsequently amended on November 3, 1994, the Commission, in Case No. PUA940031, authorized Smith Mountain to transfer the above-referenced assets to the Striper's Landing Water Company.[1]

NOW THE COMMISSION, having considered the application, Case No. PUA940031, and § 56-265.3 is of the opinion that no further notice is required and that it is in the public interest for Smith Mountain's certificate to be amended to reflect removal of the area known as the Stripers Landing subdivision. We will accomplish this by canceling Smith Mountain's Certificate No. W-261 and reissuing an amended certificate.

Accordingly, IT IS ORDERED THAT:

(1) Certificate No. W-261 authorizing Smith Mountain to provide water service to Stripers Landing subdivision be and hereby is canceled and shall be amended and reissued as Certificate No. W-261A authorizing the Company to provide water serve to the Lakemont, Overlook and Starwood subdivisions in Franklin County, Virginia.

(2) Smith Mountain shall file with the Division of Energy Regulation, on or before February 2, 1997, appropriate maps delineating the above referenced service territory.

(3) There being nothing further to be done in this matter it be, and hereby is, dismissed and the papers passed to the file for ended causes.

[1] In its Order of September 29, 1994, the Commission noted the above referenced bankruptcy proceeding and approval of the sale of assets serving the Stripers Landing subdivision as part of the Company's reorganization plan. Joint Application of Smith Mountain Water Company and Stripers Landing Comprehensive Property Owners Association, Inc., Case No. PUA940031, 1994 S.C.C. Ann. Rept. 340.

CASE NO. PUE930054
MARCH 7, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte, In re: Investigation of the rules governing electric cooperative rate cases and rate regulation of electric cooperatives

FINAL ORDER

On August 23, 1993, the State Corporation Commission ("Commission") entered an order initiating a general investigation to consider its current policies governing its regulation of electric cooperatives. As part of its investigation, the Commission directed its Staff to examine the current rules, regulations, and policies governing electric cooperative rate cases to determine whether any revisions to the Commission's current form of regulation were necessary.

Pursuant to the Commission's order, the Staff met with jurisdictional electric cooperatives, their large industrial customers, and consumer representatives to solicit their comments on what changes, if any, should be made to the Commission's current rules governing electric cooperative rate cases. Utilizing the comments obtained from these meetings, the Staff filed a report with the Commission on February 18, 1994, recommending the repeal of the current "Rules for Rate Increases for Electric Cooperatives" and the adoption of the revised rules proposed by the Staff in its report.

On March 28, 1994, the Commission entered an Order which directed the Staff and jurisdictional electric cooperatives to provide public notice of the Staff's proposed rules. The Order also invited interested persons to file written comments or requests for hearing on the proposed rules on or before June 22, 1994.

In response to this Order, Loral Federal Systems ("Loral") and Luck Stone Corporation ("Luck") filed comments and requested a hearing wherein evidence could be presented. In addition, Bear Island Paper Company ("Bear Island") and numerous electric cooperatives filed comments.[1]

In our July 20, 1994 Order, we assigned the matter to a Hearing Examiner, established a procedural schedule, and scheduled a public hearing to consider the proposed rules. At the request of the Distribution Cooperatives, the Examiner suspended the procedural schedules to permit the participants additional time to discuss further revisions to the proposed rules.

The case was heard by Senior Hearing Examiner Glenn P. Richardson on November 8, 1995. At the hearing, further revisions to the rules ("further revised rules") were offered for consideration.[2] The further revised rules, with minor modifications, were supported by the Staff, the Distribution Cooperatives and Bear Island Paper Company, and Luck Stone, by counsel, indicated that it did not object to these further revised rules.

The Hearing Examiner's December 22, 1995 Report recommended that the Commission repeal the current rules governing rate increases for electric cooperatives and adopt the further revised rules attached as Appendix B to the Report. The text of the rules in Appendix B incorporated the rule revisions supported by the participants at the public hearing. No comments were filed in response to the Report.

NOW THE COMMISSION, having considered the record, the Examiner's Report as well as the applicable statutes and rules, is of the opinion that the findings and recommendations of the Examiner are reasonable and should be adopted with the modifications explained below.

As recommended by the Hearing Examiner, we will repeal the Rules for Rate Increases for Electric Cooperatives adopted in Case No. PUE820087, as amended by Case No. PUE840052. Instead we will adopt the rules set out in Attachment A hereto, effective as of March 15, 1996.[3] The format of these rules has been modified to conform to the style requirements adopted by the Virginia Code Commission for the Virginia Register Form, Style and Procedure Manual. Minor typographical and grammatical errors have also been corrected which do not affect the substance of the rules.

With respect to Rule B.6., we find that it is important for a cooperative to notify the Commission and parties of record appearing in the cooperative's last rate case of its intent to file a rate case. However, we believe that this notification of intent to file should also be provided to all the cooperative's customers. Accordingly, we will broaden Rule B.6 to require a cooperative to give all its customers notification of its intent to file a rate case. In so notifying its customers generally, the cooperatives may use any of the methods of publication set out in subdivision C.12 of these rules. These methods include publication in Rural Living magazine or the cooperative's member publication.

We have also determined to modify subsections C.5 and C.14.i of the rules to grant greater opportunities for cooperative customers to request a hearing as a matter of right for rate applications filed under the streamlined rules and to conform the language of these rules to Va. Code § 56-237.2. As amended, rule C.5 will read:

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[1] The Distribution Cooperatives filing joint comments in this proceeding were A&N Electric Cooperative, BARC Electric Cooperative, Community Electric Cooperative, Craig-Botetourt Electric Cooperative, Mecklenburg Electric Cooperative, Northern Neck Electric Cooperative, Northern Virginia Electric Cooperative, Powell Valley Electric Cooperative, Prince George Electric Cooperative, Rappahannock Electric Cooperative, Shenandoah Valley Electric Cooperative, Southside Electric Cooperative, and the Virginia, Maryland and Delaware Association of Electric Cooperatives ("Distribution Cooperatives").

[2] Notice of the November 8, 1995 public hearing and the text of the further revised rules were published in Volume 11, Issue 26 of the September 18, 1995 edition of the Virginia Register of Regulations.

[3] See Commonwealth of Virginia, At the relation of the State Corporation Commission, Ex Parte: In the matter of adopting rules for expedited rate increases for electric cooperatives, Case No. PUE820087, 1983 S.C.C. Ann. Rept. 403. See also Commonwealth of Virginia, At the relation of the State Corporation Commission, Ex Parte: In the matter of amending rules for expedited rate increases for electric cooperatives and requiring cooperatives to file certain schedules for general rate case, Case No. PUE840052, 1985 S.C.C. Ann. Rept. 430.

> The Commission may suspend a cooperative's proposed tariff revisions and increase in rates and shall schedule a hearing thereon if the lesser of 150 or 5.0% of the customers or other persons within a class and subject to a change in a rate, toll, or charge object to the proposed revision or increase in a rate or if the lesser of 150 or 5.0% of the customers or consumers or other persons subject to such rate, toll or charge of a cooperative object to the proposed rate or tariff revision.[4]

Further, we will make conforming revisions to Rule C.14.i which identifies the contents of the notice which must be given to customers and which defines when a hearing will be convened. As amended, Rule C.14.i will read:

> A statement advising the public that if the lesser of 150 or 5.0% of the customers or other persons within a class and subject to a change in a rate, toll, or charge do not request a hearing, and if the lesser of 150 or 5.0% of the customers or consumers or other persons subject to such rate, toll or charge of the cooperative do not object to a rate change or tariff revision, the cooperative may petition the Commission to make rates permanent without hearing within 30 days after the application is filed with the Commission; . . .[5]

Through these changes we can ensure that if no one rate class meets the lesser of 150 or 5.0% standard, but the lesser of 150 or 5.0% of a cooperative's total customers object to a rate or tariff change, they will be entitled to a hearing as a matter of right.

Finally, as the Hearing Examiner observed, the ultimate consideration in any rate case is whether an electric cooperative's proposed rates conform with the statutory guidelines for just and reasonable rates set out in Va. Code § 56-226 for electric distribution cooperatives. In making a determination of the justness and reasonableness of a cooperative's rates in any case culminating in a hearing, we may consider different financial indicators, e.g., interest coverage, debt service coverage, etc., for each cooperative. The relative weight assigned to a particular financial indicator should be determined on a case-by-case basis, depending on the financial and operating characteristics of the applicant cooperative. The rules adopted herein offer the flexibility to conduct such an analysis.

Accordingly, IT IS ORDERED THAT:

(1) The Rules for Rate Increases for Electric Cooperatives adopted in Case No. PUE820087 and further amended in Case No. PUE840052 are hereby repealed, effective March 15, 1996.

(2) The Rules Governing Streamlined Rate Proceedings and General Rate Proceedings for Electric Cooperatives Subject to the State Corporation Commission's Rate Jurisdiction, set out in Attachment A hereto are hereby adopted, effective March 15, 1996.

(3) A copy of this Order and the rules adopted herein shall be forwarded for publication in the Virginia Register of Regulations.

(4) There being nothing further to be done in this proceeding, this matter should be dismissed from our docket of active cases, and the papers filed herein made a part of our files for ended causes.

NOTE: A copy of Attachment A entitled "Rules Governing Streamlined Rate Proceedings and General Rate Proceedings for Electric Cooperatives Subject to the State Corporation Commission's Rate Jurisdiction" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

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[4] The revisions to this Rule are indicated by underscored material.

[5] Revisions to the rule are indicated by underscored material.

CASE NO. PUE930070
DECEMBER 19, 1996

APPLICATION OF
DELMARVA POWER & LIGHT COMPANY

For approval of experimental conservation programs

ORDER GRANTING PERMANENT APPROVAL

On March 31, 1994, the Commission issued an order approving the application of Delmarva Power & Light Company ("Delmarva" or "the Company") to implement five pilot demand-side management ("DSM") programs in Virginia, subject to the limitations proposed by Staff in its report of March 4, 1996. As such, the programs were implemented for a two-year period beginning April 1, 1994, and ending March 31, 1996. The five programs provided participants one-time rebates to encourage the purchase of high efficiency electrical equipment and weatherization of new homes.

On March 13, 1996, Delmarva filed revised tariffs to close the five experimental programs to new participants effective April 1, 1996. In its filing, the Company stated its intention to re-examine the design and efficiency of the DSM program portfolio, including the experimental programs in Virginia. Delmarva also stated that it considered the revised tariffs a "housekeeping" item given that the tariffs expired March 31, 1996.

In an order entered on April 9, 1996, the Commission directed the Company to file an explanation of its revised tariffs, on or before June 4, 1996, and directed its Staff to investigate the matter and file a report detailing the results of its investigation on or before August 7, 1996. In that Order, the Commission also directed that the Company's revised tariffs be implemented on an interim basis subject to Staff's Report and any recommendations therein. The Company filed that explanation on June 4, 1996. Similarly, Staff filed its Report on the appointed day.

In its Report, Staff recommended that the Commission accept Delmarva's revised tariffs and that the Company be required to file annual reports evaluating the effectiveness of such DSM programs in Virginia. Staff stated its view that the closing of such DSM programs should have no adverse rate impact on Delmarva's Virginia customers.

In its analysis, Staff noted that the revised tariffs are largely the results of the Company's 1995 Integrated Resource Plan ("IRP") and its Monitoring and Evaluation Plan. Staff accepted the methodology used in the Company's 1995 IRP and the judgments associated with that IRP. Staff also accepted the benefit/cost results that underscored the Company's conclusions regarding the cost effectiveness of Delmarva's DSM programs. Additionally, Staff noted that the programs suffered high free-rider ratios.

NOW THE COMMISSION, having considered Delmarva's request and the Report filed by its Staff, is of the opinion that the Company's revised tariffs should be implemented on a permanent basis. We will, however, consistent with Staff's recommendation, require the Company to file annual reports with the Division of Economics and Finance evaluating the effectiveness of its DSM programs in Virginia. Accordingly,

IT IS ORDERED THAT:

(1) The revised tariffs for the above captioned cases be, and hereby are, implemented on a permanent basis.

(2) Delmarva shall file with the Commission's Division of Economics and Finance annual reports evaluating the effectiveness of its DSM programs in Virginia, the first report to be filed on or before December 31, 1997.

(3) There being nothing further to be done in this matter, it be and hereby is closed, and the papers placed in the file for ended causes.

CASE NO. PUE940042
JUNE 13, 1996

APPLICATION OF
COMMONWEALTH GAS SERVICES, INC.

For approval of pilot programs to promote the installation of certain high efficiency gas appliances

ORDER GRANTING MODIFICATION

On April 9, 1996, Commonwealth Gas Services, Inc. ("Commonwealth" or "Company") filed a request to modify its Efficient Natural Gas Equipment DSM Pilot Program (hereinafter referred to as "the Common Sense Program"), which was approved by Commission order dated January 27, 1995 ("January 27, 1995 Order"). The Common Sense Program currently offers incentives to residential and small commercial customers to encourage the installation of high-efficiency natural gas space heating and water heating equipment. The pilot program, authorized to operate through January 1997, provides one-time rebates as an incentive to encourage residential and small commercial customers to purchase high-efficiency natural gas equipment instead of less efficient models. In its filing of March 9, 1996, Commonwealth requests three modifications to the Common Sense Program: (1) authorization to add 100 more residential water heater rebates at a reduced level of $25 per unit instead of the currently approved $50 per unit; (2) approval to offer the currently approved $1,000 rebate for the York Triathlon System to either the equipment distributor or to the customer; and (3) approval to extend the offer of rebates for the purchase of the York Triathlon System to customers in the western region, as well as in the currently approved northern and southern divisions.

On June 11, 1996, Commission Staff filed its comments regarding the Company's proposal. Staff stated that it did not oppose the Company's modification but offered comments to supplement the information provided by the Company regarding its request. Staff did recommend that approval of Commonwealth's request to offer its rebate for the York Triathlon System to either the equipment distributor or to the customer be conditioned upon the Company filing copies of all agreements between Commonwealth and York Triathlon distributors and dealers with the Commission's Division of Economics and Finance.

THE COMMISSION, upon consideration of this matter, is of the opinion and finds that Commonwealth's requests should be granted. Accordingly,

IT IS ORDERED THAT:

(1) The Company is authorized to increase the number of participants in its currently approved water heater rebate program from 200 to 300 and to reduce the rebate level from $50 per unit to $25 per unit.

(2) Commonwealth is authorized to offer the currently approved $1,000 rebate for its York Triathlon System to either equipment distributors or to the customer. Commonwealth shall file copies of all agreements between the Company and distributors and dealers regarding this program with the Commission's Division of Economics and Finance.

(3) Commonwealth is authorized to extend the offer of rebates for the purchase of the York Triathlon System to customers in its western region as well as in its northern and southern divisions.

(4) This matter be continued generally.

CASE NO. PUE940051
MAY 24, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte, in re: Investigation of Dominion Resources, Inc. and Virginia Electric and Power Company

ORDER DIRECTING ACTION AND CONTINUING PROCEEDING

This investigation was instituted as an outgrowth of the 1994 public dispute between Virginia Electric and Power Company ("Virginia Power" or "the Utility") and Dominion Resources, Inc. ("DRI" or "the Holding Company"), to address potential problems arising from the relationship of DRI and Virginia Power and the Commission's Opinion and Final Order in In re: Ex Parte, Investigation of Corporate Reorganization of Virginia Electric and Power Company ("1986 Order"), Case Nos. PUE830060 and PUE860037.[1] The 1986 Order addressed the public service implications of the reorganization of Virginia Power into a holding company structure. Among other things, the 1986 Order stressed that the Virginia Power board of directors was to retain the responsibility for the proper management of the Utility.

On December 1, 1994, Commission Staff filed its interim report in this matter, containing the reports of its consultants, The Liberty Consulting Group ("Liberty") and Dr. J. Robert Malko. DRI and Virginia Power filed a joint response to the interim report on December 21, 1994. Staff's final report ("Staff Report") was filed on April 12, 1995, containing the findings of the two Staff consultants. Both consultants identified existing and potential problems and formulated conclusions and recommendations.

By order dated July 5, 1995, we provided an opportunity for DRI and Virginia Power (collectively referred to hereafter as "the Companies") to respond to the factual statements and the conclusions and recommendations contained in the Staff Report. The Companies filed their separate responses on September 9, 1995. The July 5, 1995 order also directed Staff to file comments. The Staff filed its comments, including its recommendations, on March 15, 1996 ("Comments").

In a letter dated and filed on May 8, 1996, in this matter, the Companies, by counsel, reported the various actions taken in response to Staff's Comments.

The Staff Report and Comments and the Companies' responses address corporate structure issues, affiliate service arrangements, and financial and diversification issues. The Commission, upon review of these materials, finds that certain recommendations should be adopted at this time, while others require further consideration.

In the area of corporate structure, Liberty recommended and DRI implemented conflict-of-interest standards for the DRI board of directors ("DRI Guidelines"). In its Comments regarding the DRI Guidelines, Staff notes that Liberty recommended disqualification for board membership if an individual has significant association with firms or organizations having dealings of significant value with DRI or Virginia Power. In contrast, Staff notes that the DRI Guidelines require directors to disclose the material facts of any direct or indirect personal interest in transactions with DRI. Staff states that this requirement, however, does not appear to apply to a director's personal interest in a transaction with Virginia Power. Staff recommends DRI's board members be required to disclose their material transactions with Virginia Power as well as those with DRI.

In their letter of May 8, 1996, the Companies state that the DRI Guidelines were modified on April 19, 1996. DRI states that these modifications make clear that DRI's directors must disclose any material transactions with any wholly owned subsidiary of DRI in which they have an interest, as well as such transactions with DRI.

Staff's Comments also note that the DRI Guidelines render an individual ineligible for board membership as a non-management director if he or she has indirect business relationships with DRI or its subsidiaries above a specific dollar limit. Staff recommends that the level of allowable indirect business relationships between such non-management directors and DRI be reduced from its then current level of 5% of the consolidated revenues or 5% of the consolidated assets of DRI, to a level approaching .5% of such revenues or consolidated assets.

The Companies, by means of their May 8, 1996 letter, informed Commission Staff that the April 19, 1996, modifications to the DRI Guidelines reduced the threshold for disqualification as a "Non-Management Unaffiliated Director" from 5% to 3% of consolidated annual revenues in the case of payments and of consolidated assets in the case of loans.[2] Although Staff recommends a reduction to 0.5% in both cases, it is DRI's position that such a threshold would be unreasonable in that it could adversely affect DRI's ability to name the best possible persons to its Board.

With respect to Virginia Power, Staff notes that the Utility has no formal conflict-of-interest standards regarding board membership and recommends their formal adoption. In that regard, the Companies' May 8, 1996 letter states that Virginia Power has not yet completed action on Staff's recommendation that it adopt formal conflict-of-interest standards, but that such action should be reviewed by the Virginia Power board in the next several months. The letter further states that Commission Staff will be kept apprised of progress in this endeavor.

The Commission is of the firm opinion that the absence of conflicts of interest within the DRI and Virginia Power boards is critical if Virginia Power is to maintain its independent management, which we continue to find essential for the protection of the public interest. For the time being, we shall reserve judgment on whether the modifications taken by the DRI board afford adequate protection to Virginia Power. Virginia Power shall be directed to adopt appropriate conflict-of-interest standards for its board of directors without delay. The Utility shall report quarterly to Commission Staff its progress in this endeavor.

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[1] Commonwealth of Virginia ex rel. State Corporation Commission v. Dominion Resources, Inc. and Virginia Electric and Power Company, Case No. PUE940040 was also initiated in 1994 directing DRI and Virginia Power to show cause why they should not be found in violation of the 1986 Order.

[2] Five percent of DRI's consolidated annual revenues and assets is respectively $225 million and $678 million. Three percent of DRI's consolidated annual revenues and assets is respectively $135 million and $407 million. These numbers were derived from DRI's 1994 Annual Report.

Considerable discussion was centered on Virginia Power's independence to govern itself. This issue was squarely addressed in our 1986 Order. Now, as then, we stress that the Virginia Power board of directors is responsible for the proper management of the Utility, and the independent functioning of the board remains a paramount concern. We continue to expect Virginia Power directors to elect only capable individuals to manage the Utility.

With respect to affiliate services arrangements, Liberty recommended, and Staff agrees, that an annual independent audit of Virginia Power's affiliate transactions is warranted to assure compliance with the Utility's affiliate procedures. Staff notes that the Companies employed Deloitt & Touche to aid them in improving their handling of affiliate transactions. Staff states that the Utility's revised affiliate procedures are sound if compliance with them is maintained.

The Companies, in their May 8, 1996 letter, agree that "the other recommendations in the Staff Comments [including the independent audit] . . . appear to be a reasonable resolution of the issues." We agree. Accordingly, Virginia Power shall be directed to file an annual comprehensive audit of its affiliate transactions, conducted by an independent accounting firm, with the Utility's Annual Report of Affiliated Transactions.

The extent to which the executive services of DRI duplicate those of Virginia Power was also addressed. No one disputes that neither the Utility nor its ratepayers should be charged for unneeded services. Staff's comments note that as of the Spring of 1995, senior management costs to the Utility for DRI's general corporate services and financial management services do not include allocation of any indirect costs or overheads. Staff's Comments further note that "it cannot be stated with certainty that all duplicate executive costs have been eliminated." Staff recommends and the Companies agree[3] that this issue should be more closely examined in Virginia Power's future annual informational filings or rate cases. We agree. Virginia Power and Commission Staff shall be directed to examine this issue in the Utility's upcoming expanded annual informational filing, Case No. PUE960036.

We reiterate that our silence with respect to certain recommendations of Commission Staff or their consultants should not be interpreted to mean that they have been rejected in whole or in part. We simply conclude that further action is not warranted at this time. Staff, in its Comments regarding various recommendations of their consultants, states that certain recommendations "while apparently necessary at earlier stages of the dispute [between the Companies], are not needed at the present time, given the changes which have already occurred and the relative harmony that appears to have taken hold." Staff further recommends that this matter be continued for an additional period of time to monitor the corporate governance, operational efficiency and effectiveness of the Companies. We shall adopt this recommendation and continue this matter for an additional period to July 12, 1997. We shall use this additional time to evaluate what further recommendations, if any, should be implemented. Accordingly,

IT IS ORDERED THAT:

(1) The Virginia Power Board adopt conflict-of-interest standards and report quarterly beginning June 29, 1996, its progress in that regard to Commission Staff.

(2) Virginia Power file an independent certified annual audit of affiliate transactions each year with its Annual Report of Affiliate Transactions. The scope of such audit shall include, but not be limited to, the following:

a. Review the Service Agreement and its Appendix (costs and accounting for affiliated transactions);

b. Review for compliance, on a test basis, documentation of intercompany charges to determine compliance with the Service Agreement and classification and recordation in the proper account;

c. Review all documentation supporting charges made for incidental services and review all documentation supporting Special Bill charges, to determine compliance with the requirements of the Service Agreement;

d. Audit, on a test basis, time records by salaried employees of DRI and Virginia Power, which are used as a basis of direct charges and indirect allocation rates used to allocate expenses by department. Recalculate allocation factors on a test basis;

e. Provide an independent opinion on the Annual Report of Affiliated Transactions based on the audit.

(3) Virginia Power and Commission Staff address in the Utility's upcoming expanded Annual Informational Filing the extent to which Virginia Power is paying for duplicate executive services from DRI, if any.

(4) This matter be continued to July 12, 1997.

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[3] The Companies' May 8, 1996 letter does not object to this recommendation and as quoted earlier states that "the other recommendations in the Staff Comments . . . appear to be a reasonable resolution of the issues."

CASE NO. PUE940054
JANUARY 30, 1996

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For an expedited increase in gas rates

and

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For approval of rate schedules to provide natural gas service for motor vehicles

FINAL ORDER

Virginia Natural Gas, Inc. ("VNG" or "Company") filed its application for expedited rate increase on September 1, 1994, seeking $9,941,316 in additional gross annual revenues.[1] Also on September 1, 1994, VNG filed another application seeking approval of two new optional rate schedules, Rate Schedule 11 - Firm Compressed NGV Service and Rate Schedule 12-Firm Distribution NGV Service. In that application, VNG proposed to amend "Section XX-Quarterly Billing Adjustments," the portion of its purchased gas adjustment clause which would permit recovery of the costs associated with the purchase of gas for customers served under these new schedules.

By Order dated September 23, 1994, we consolidated VNG's application for approval of rate schedules to provide natural gas service for motor vehicles with Company's expedited rate application; docketed the applications; and permitted VNG's proposed tariff revisions to take effect on an interim basis, subject to refund with interest for service rendered on and after October 1, 1994.

The case was heard by Hearing Examiner Deborah V. Ellenberg on March 8, 1995. The Examiner issued her Final Report on November 20, 1995. Exceptions and comments were filed by the Company and Anheuser-Busch Companies, Inc., Ford Motor Company, Nabisco Brands, Inc., Owens-Brockway Glass Container, Inc., and U.S. Gypsum Company, (hereafter collectively referred to as the Industrial Protestants). Virginia Electric and Power Company ("Virginia Power"), by counsel, indicated that it would not file comments on the Hearing Examiner's Report.

In her Report, the Examiner recommended that the Commission grant VNG $6,099,346 in additional gross revenues, and authorize it to earn an 11.3% return on its equity, representing the midpoint of a 10.8%-11.8% range. Her Report noted that it was reasonable to maintain the 5.7 to 1 ratio challenged by Virginia Power as a fair and reasonable line extension policy for VNG in this case. However, she urged the Staff to correct various minor deficiencies in that policy, such as the update of VNG's capital cost rates, capitalization ratios, tax rates, and depreciation schedules and removal of $100,000 in the cost component of VNG's capital recovery factor, as part of VNG's current case, Case No. PUE950081.

NOW THE COMMISSION, having considered the record, the Examiner's Report and the comments and exceptions thereto, as well as the applicable statutes and rules, is of the opinion that the findings and recommendations of the Examiner, as clarified and supplemented herein, are reasonable and should be adopted.

In her Report, the Examiner recommended 10.8% to 11.8% as the appropriate return on equity range for the Company. That range reflected a 40 basis point downward adjustment in order to recognize the higher than average equity ratio found in the consolidated capital structure of Consolidated Natural Gas, VNG's parent. VNG's comments took exception to the Examiner's analysis and recommendation regarding the Company's cost of equity and the 40 basis point adjustment. After considering all of the evidence in this case, we concur with the Hearing Examiner's conclusion and find it to be supported by the record. In doing so, we do not adopt a specific formula for establishing the appropriate rate of return, but rather we find that at this time, with the record before us, we agree with the conclusion of the Hearing Examiner.

The Examiner also recommended that VNG be allowed to recover one-half of its charitable contributions in its cost of service, citing our recent final orders in Application of Washington Gas Light Company, Case No. PUE940031 and Application of Roanoke Gas Company, Case No. PUE940039. The record in the instant case demonstrates that VNG's ratepayers support the Company's charitable contributions through their rates and that VNG's president and board members select the recipients and the amounts of its contributions. Tr. at 160-166. We agree that it is appropriate for VNG's stockholder, Consolidated Natural Gas, to fund half the contributions.

VNG's Comments also suggest that the Examiner's Report should be clarified to adjust revenue allocations to reflect correctly the "target margin" revenues for VNG's Interruptible Rate Schedules 8, 9A, 9B, and 9C, as supported by Staff witness Lacy and Company witness Huston. We concur that the revenue apportionment should be adjusted to use consistent margin revenues for the annualized test year revenues, using the revised methodology described in Exhibit JLH__(R1) to Ex. JLH-23.

Finally, the Commission adopts each of the Examiner's recommendations regarding cost allocation, revenue apportionment, capacity release, and VNG's line extension policy. Certain issues were agreed to by the Company, Staff, and Industrial Protestants but do not appear to be reflected in the Examiner's findings and recommendations. The findings we make below supplement those of the Examiner, and address the Yorktown Power Station, revision of Section XX of the Company's tariffs, as well as other issues agreed to by the participants in this case.

Wherefore, we find that:

(1) Use of a test period ending June 30, 1994, is proper in this proceeding.

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[1] By the time of the hearing, the Company's request had been reduced to $7,054,053.

(2) The Staff's accounting adjustments, with the exception of Staff's adjustment removing all of the costs related to charitable contributions, are accepted in this proceeding. Staff's booking recommendations are also accepted.

(3) The Company's test year operating revenues, after all adjustments, were $160,177,854.

(4) The Company's test year operating deductions, after all adjustments, were $145,287,716.

(5) The Company's test year net operating income and adjusted operating income, after all adjustments, were $15,601,756 and $14,890,138, respectively.

(6) The Company's adjusted test period rate base, updated to October 31, 1994, is $194,427,730.

(7) The Company's current rates produced a return on adjusted rate base of 7.66% and a return on equity of 7.96%.

(8) The Company's cost of equity is within the range of 10.8% to 11.8%, and rates should be established at the midpoint of that range, 11.3%.

(9) The Company's overall cost of capital is 9.64%.

(10) VNG's current rates are unjust and unreasonable because they will generate a return on rate base which is less than 9.64%.

(11) The Company requires an increase in gross annual revenues of $6,099,346 to earn a 9.64% return on rate base.

(12) VNG should file permanent rates, consistent with Staff's revenue apportionment, which are designed to produce additional revenues found reasonable herein, effective for service rendered on and after October 1, 1994. Said rates should reflect the Staff's recommended revenue apportionment, as adjusted by the revenue methodology described in Exhibit JLH-__ (R1) to Ex. JLH-23 for VNG's Interruptible Rate Schedules 8, 9A, 9B, and 9C.

(13) Consistent with the findings made herein, VNG's proposal to unbundle Rate Schedules 6 and 7 is reasonable and should be adopted.

(14) Company should isolate the revenues and costs associated with the Yorktown Power Station ("Yorktown") from Rate Schedule 9C in a cost of service study filed as part of the next expedited or general rate case filed subsequent to pending Case No. PUE950081. As part of this filing, VNG should provide information relating to the calculation of the Yorktown minimum bill, the volumes taken by Yorktown, and the cost recovery of the minimum bill for the Yorktown Power Station for the test period.

(15) As recommended by Staff witness Frassetta, the allocation of gas demand costs in the Company's purchased gas adjustment section of its tariff, Section XX, should be revised to incorporate more accurate information regarding gas demand costs and customer peak usage, available from VNG's more advanced metering technology.

(16) VNG should examine the banking and balancing costs associated with its transportation customers for inclusion in a cost of service study to be submitted with the case filed subsequent to pending Case No. PUE950081.

(17) VNG's Natural Gas Vehicle ("NGV") tariff Schedules 11 and 12 should be revised to incorporate the changes recommended by Staff witness Lacy in Ex. CML-17 at pages 10-11.

(18) VNG should develop a proposal for a cost-based NGV delivery service to be submitted in the Company's case filed subsequent to pending Case No. PUE950081, or earlier if a demand for NGV delivery service materializes before the Company's next rate case.

(19) The Company should submit a schedule modeled after Exhibit GGF-1 to Ex. GGF-18 which indicates the final total revenue effect on each rate schedule as part of its final compliance filing with the Division of Energy Regulation.

(20) VNG should refund, with interest, all revenues collected under the interim rates which became effective for service rendered on and after October 1, 1994, in excess of the amounts found just and reasonable herein.

(21) The Company should be required to file information annually with the Division of Energy Regulation related to its capacity release program, including but not limited to, the amount of capacity to which VNG was entitled but did not use and the amount of capacity VNG posted for release.

Accordingly, IT IS ORDERED THAT:

(1) VNG's application for an expedited increase in rates is granted to the extent discussed herein and denied otherwise.

(2) The findings and recommendations of the November 20, 1995 Final Report of the Hearing Examiner, as clarified and supplemented herein, are hereby adopted. VNG shall comply with the directives contained in the findings set out in that Report and this Order.

(3) On or before February 29, 1996, VNG shall file revised schedules of rates and charges and revised terms and conditions of service consistent with the findings herein, effective for service rendered on and after October 1, 1994.

(4) On or before May 10, 1996, VNG shall complete its refund, with interest as described below, of all revenues collected from the application of interim rates, which became effective for service rendered on and after October 1, 1994, 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) Interest upon such refunds shall be computed from the date payment of each monthly bill was due during the interim period until the date refunds are made, at an average prime rate for each calendar quarter. The applicable average prime rate for each calendar quarter shall be the arithmetic mean, to the nearest one-hundredth of one percent, of the prime rate values published in the Federal Reserve Bulletin, or in the Federal Reserve's Selected Interest Rates, for the three months of the preceding calendar quarter.

(6) The interest required to be paid on the refunds shall be compounded quarterly.

(7) The refunds ordered in Paragraph (4) above may be accomplished by credit to the appropriate customer's account for current customers (each refund category being shown separately on each customer's bill). Refunds to former customers shall be made by a check to the last known address of such customers when the refund amount is $1 or more. VNG may offset the credit or refund to the extent no dispute exists regarding the outstanding account balances of its past or current customers. To the extent that outstanding balances of such customers are disputed, no offset shall be permitted for the disputed portion of the account. VNG may retain refunds owed to former customers when such refund is less than $1.00; however, the Company shall prepare and maintain a list detailing each of the former accounts for which refunds are retained, and in the event such former customers request refunds, the same shall be made promptly. All unclaimed refunds shall be handled in accordance with Virginia Code § 55-210.6:2.

(8) On or before June 14, 1996, VNG shall file with the Commission's Division of Energy Regulation a document showing that all refunds have been lawfully made pursuant to this Order, itemizing the costs of the refund and account charged and providing the information required by Finding Paragraph (19) above. Such itemization shall include, inter alia, computer costs, the personnel hours, associated salaries and costs for verifying and correcting the refund methodology and developing a computer program.

(9) VNG shall bear all costs of the refunds directed herein.

(10) There being nothing further to be done herein, this matter shall be removed from the Commission's docket of active proceedings, and the papers filed in this matter shall be placed in the file for ended causes.

CASE NO. PUE940057
JULY 15, 1996

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of a pilot program to establish a standby generation control system

ORDER WITHDRAWING APPROVAL OF PILOT PROGRAM AND DISMISSING APPLICATION WITHOUT PREJUDICE

On June 19, 1995, the Commission approved the application of Virginia Electric and Power Company ("Virginia Power" or "Company") for approval of a pilot program for its Standby Generation Control System ("SGCS"). SGCS would involve the installation of control equipment on a mixture of customer-owned and Virginia Power-owned generators. Virginia Power would then use the control system to operate remotely the generators which would have the affect of providing another source of generation at periods of system peak demand. The approved pilot program would run for one year from the date the control system equipment was functional for all participating generators. On May 29, 1996, Virginia Power moved to suspend indefinitely implementation of the pilot program approved in 1995.

In support of its motion to suspend, Virginia Power noted that it had been unable to recruit participants, but the Company was installing and testing the control equipment on several of its own generators. In addition, Virginia Power reported that cost/benefit tests which had supported its original application filed on December 13, 1994, had been updated to reflect current information. After updating, the ratios showing benefits to the Company and to ratepayers had declined. For these reasons, Virginia Power proposed to suspend indefinitely the pilot program while it continued to install and test the control equipment on its generators.

By order of June 6, 1996, the Commission authorized the Staff and other participants in this proceeding to respond. We also permitted Virginia Power to reply. Only the Staff responded to the motion. The Staff agreed with Virginia Power that the pilot program should not be pursued at this time. The Staff proposed, however, that the application be dismissed without prejudice to Virginia Power proposing the same or a similar program in the future. In support of dismissal, the Staff noted that further filings by Virginia Power, public notice, and opportunity to comment would be required to implement SGCS at some time in the future. In the Staff's view, dismissal and filing of a new application would be simpler and no more burdensome on Virginia Power or the Commission. Virginia Power replied to the Staff on June 27, 1996, and the Company stated that it did not oppose dismissal without prejudice to a future filing.

Upon consideration of the pleadings previously discussed, the Commission will withdraw approval of the pilot program for SGCS granted on June 19, 1995, and dismiss the application without prejudice to Virginia Power filing another application proposing the same or a similar pilot program. This action does not bar Virginia Power from installing control equipment on its own generators. In our order of June 19, 1995, we addressed a number of issues raised by this application, including its competitive impact. Should Virginia Power propose a generation control pilot program in the future, that order will provide guidance to the Company and to interested persons. Concern for the orderly management of the Commission's docket leads us to conclude that the current application should be dismissed without prejudice. Accordingly, IT IS ORDERED THAT the previous approval BE WITHDRAWN; that this application BE DISMISSED; and that all papers filed herein be transferred to the records of closed proceedings.

CASE NO. PUE940062
NOVEMBER 26, 1996

APPLICATION OF
BRANDI WINE, LTD.

For a certificate of public convenience and necessity

DISMISSAL ORDER

By Order entered on May 25, 1995, the Commission granted Brandi Wine, LTD. ("Brandi Wine" or "the Company") a certificate of public convenience and necessity authorizing it to provide water service to approximately eighty customers in a portion of the Five Lakes subdivision in New Kent County, Virginia. That portion of the subdivision is known as Five Lakes I. In that Order, the Commission directed the Company to file certain financial data on or before March 31, 1996 and directed its Staff to audit the Company's books and records and to file a report detailing the results of its financial analysis on or before October 1, 1996.

At the appointed time, Staff filed that report detailing its analysis based on a test year ending December 31, 1995. In its report Staff noted that, after Staff's adjustments, Brandi Wine had adjusted operating income of $519.00 which results in a 1.04% return on an adjusted rate base of $49,956.00. Staff therefore concluded that the Company's unmetered rates were reasonable and recommended that they may be made permanent. In addition, Staff recommended that the Company keep its books and records in accordance with the Uniform System of Accounts for Class C Water Companies and that the Company adopt certain booking recommendations relative to plant depreciation.

NOW THE COMMISSION, having considered Staff's report, is of the opinion that the Company's rates are reasonable and should be made permanent. We will also adopt Staff's booking recommendations. Accordingly,

IT IS ORDERED THAT:

(1) The Company's unmetered rates be, and hereby are, made permanent.

(2) The Company keep its books and records in accordance with the Uniform Systems of Accounts for Class C Water Companies.

(3) The Company implement Staff's booking recommendations as detailed in its report filed on October 1, 1996.

(4) On or before April 30, 1997, the Company provide the Commission's Division of Public Utility Accounting with proof that its books and records are kept in accordance with the directives referenced in ordering paragraphs (2) and (3) herein.

(5) There being nothing further to be done, this matter be, and hereby is, dismissed from the Commission's docket of active cases and the papers placed in the file for ended causes.

CASE NO. PUE940063
MAY 24, 1996

APPLICATION OF
APPALACHIAN POWER COMPANY

For an expedited increase in base rates

FINAL ORDER

On September 28, 1994, Appalachian Power Company ("Appalachian" or "the Company") filed an application for an expedited increase in base rates. The Company amended its application, with leave from the Commission, on October 12, 1994. The application, as amended proposed rates that would produce additional gross annual operating revenues of $15,716,212 based on a test year ending June 30, 1994.

On September 1, 1994, Appalachian also filed an application requesting revision to the rates to be paid for power purchased from cogeneration and small power production facilities. This application was filed under Case No. PUE940065.

The Commission entered an order on November 15, 1994, permitting the Company's proposed base rate tariff revisions to take effect on an interim basis, subject to refund and with interest. On December 14, 1994, the Commission entered an order consolidating the Company's base rate and cogeneration tariff applications for hearing and scheduling a hearing on the applications for June 6, 1995. The November 14, 1994 order also established a procedural schedule for the filing of pleadings, prepared testimony and exhibits, and appointed a Hearing Examiner to conduct further proceedings in this matter. By Hearing Examiner's ruling dated March 30, 1995, the hearing was continued to June 19, 1995.

The public hearing commenced on June 19 and concluded on June 20, 1995. Counsel appearing were H. Allen Glover, Jr., Michael J. Quinan, and James R. Bacha for the Company; Gail D. Jaspen and Charles R. Foster, III for the Division of Consumer Counsel, Office of the Attorney General ("Consumer Counsel"); Alexander S. Skirpan and John D. Sharer for the Old Dominion Committee for Fair Utility Rates ("the Committee"); William S. Bilenky for Citizens for the Preservation of Craig County and Citizens Organized for the Preservation of the Environment of Giles County; and Judith Williams Jagdmann and Amy L. Sheridan for the Commission Staff. The Hearing Examiner issued her report on March 28, 1996, and the parties submitted comments and exceptions on April 22, 1996.

Based upon the evidence received, the Examiner found that:

1. The use of a test year ending June 30, 1994 is proper in this proceeding;

2. The Company's test year operating revenues, after all adjustments, were $705,917,208;

3. The Company's test year operating deductions, after all adjustments, were $605,631,340;

4. The Company's test year net operating income and adjusted operating income, after all adjustments, were $100,285,868 and $99,781,415, respectively;

5. The Company's adjusted test period rate base, updated to December 31, 1994, is $1,097,243,576;

6. The Company's cost of equity is within a range of 10.5% to 11.5%;

7. The Company's overall cost of capital is within a range of 8.88% to 9.27%;

8. The Company's current rates produced a return on adjusted rate base of 9.09% and a return on equity of 11.05%;

9. The Company's current rates are just and reasonable because they will generate a return on rate base of 9.09%, within the authorized range;

10. The Company thus requires no increase in gross annual revenues;

11. The Company should refile rates in effect prior to this case as permanent rates; and

12. The Company should be required to refund, with interest, all revenues collected under interim rates in excess of the amounts found just and reasonable herein.

The Examiner recommended that the Commission enter an order adopting the findings in her report, denying the Company any increase in its authorized gross annual revenues, and directing the refund with interest of all amounts collected under the interim rates in excess of the rate level found just and reasonable by the Examiner.

Having considered the record, the Examiner's Report, and the comments thereon, the Commission is of the opinion and finds that the findings and recommendations of the Hearing Examiner, except as modified herein, should be adopted. The Hearing Examiner's discussion of the issues and the basis of her recommendations were thorough and well reasoned. Thus, we have not readdressed the issues except for our analysis of the Company's incremental storm damage, where we have made findings different from the Examiner, and on the issue of the Company's member load ratio ("MLR"), which warrants further discussion.

MLR

Appalachian's MLR is the ratio of Appalachian's maximum peak demand to the sum of the maximum peak demands of all five American Electric Power Company ("AEP") operating companies[1] during the preceding 12 months. The MLR is used to calculate Appalachian's and the other operating subsidiaries' capacity equalization charges, transmission equalization charges, off-system sales revenues, and transmission service revenues.

A slight change in MLR has a significant impact on rates. For example, a spread of .0100 based on the AEP system capacity and average settlement rate as of January, 1995, affects the allocation of capacity costs to Appalachian by approximately $17 million annually on a total company basis. It is imperative, therefore, that we use a representative MLR on a going forward basis. In the past we have used various methods for determining the Company's MLR.[2] Although various methods have been used, the reasoning behind the methodologies has remained constant: we have endeavored to use an MLR that would be representative of the Company's MLR on a going forward basis.

In her analysis of this issue, the Hearing Examiner agreed with Commission Staff, Consumer Counsel, and the Committee that a five-year rolling average MLR was appropriate to normalize the MLR related charges and expenses for Appalachian. In so doing, she adopted Staff's five-year rolling average MLR.

We agree with the Hearing Examiner's decision. Use of a five-year average MLR at this time should moderate the volatility of the MLR in general and avoids setting rates solely on the basis of an extremely high or low MLR. Further, we note that Staff's five-year rolling average MLR of .31985 is above the Company's projected MLRs from 1995 through 2003. The Company's internal document entitled "AEP Projected MLRs, 1995 through 2003" projects Appalachian's highest MLR for that period to be .31717. In sum, we feel that a five-year rolling average is a fair and equitable way to calculate the Company's member load ratio based on the record in this case.

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[1] The wholly-owned operating subsidiaries of AEP that generate and sell electricity are Appalachian, Columbus Southern Power, Indiana-Michigan Power, Kentucky Power, and Ohio Power.

[2] See Application of Appalachian Power Company, For a general increase in rates, Case No. PUE920081, 1994 S.C.C. Ann. Rept. 342; Application of Appalachian Power Company, For a general increase in rates, Case No. PUE900026, 1991 S.C.C. Ann. Rept. 287; Commonwealth of Virginia, ex rel. State Corporation Commission, In re: Appalachian Power Company's 1987 Annual Informational Filing, Case No. PUE880033, 1988 S.C.C. Ann. Rept. 337; and Application of Appalachian Power Company, For an expedited increase in rates, Case No. PUE860015, 1987 S.C.C. Ann. Rept. 244.

Incremental Storm Damage

Another issue addressed in this proceeding was how to treat the $23.7 million of incremental storm damage that the Company incurred early in 1994 due to unusually severe winter storms. These storms were unprecedented relative to the number of customers whose service was interrupted, the extent of damage to facilities, and the cost of service restoration. The Company deferred the $23.7 million[3] of incremental storm damage expense on its books for treatment as a regulatory asset and seeks to increase its expense by approximately $7.9 million annually over three years to recognize an amortization of the Virginia retail share of that incremental storm expense.

In her Report the Hearing Examiner concluded that the earnings test proposed by Staff provides a fair threshold test to judge whether a cost has been recovered or whether it should be deferred and amortized. The Examiner declined to subject these expenses to an earnings test, however, because the Accounting Division's letter of March 29, 1995, advising Appalachian of its intent to apply such a test, was sent well after this case was filed.[4]

In examining this issue several points should be noted at the outset. First, deferral of any costs is unusual and should be allowed for ratemaking purposes only rarely and in extreme situations. Second, where deferral is allowed, no costs the Company has actually recovered should be deferred. The timing of the Accounting Division's letter has no bearing on this matter.[5] The issue here is how much of the storm damage expense was recovered and how much, if any, should be deferred. If the Company recovered all or part of those expenses in the test year then those recovered expenses cannot be deferred and recovered again. The issue is simple and must be decided the same way, with or without a letter from our Accounting Division. We determine the degree to which the storm damage expenses have been recovered with an earnings test.

The earnings test should be conducted using data from the Company's test year, ending June 30, 1994. As explained in Application of Virginia Electric and Power Company, For an increase in base rates, Case No. PUE880014, 1988 S.C.C. Ann. Rept. 312, in conducting the earnings test, only limited adjustments should be made to the Company's books to restate GAAP[6] to regulatory accounting. Costs that do not reduce a company's earnings below its authorized range of return on equity will be found to have been recovered. Earnings within a utility's return on equity range are considered "lawful and will be considered neither excessive nor insufficient." Id. at 314.

After conducting an earnings test as described above, we find that Appalachian has recovered approximately $11.9 million of the incremental storm damage costs. Accordingly, the remaining $12.3 million of the Company's incremental storm damage expense shall be deferred and recognized as a regulatory asset. Consistent with the Hearing Examiner's findings this asset will be amortized over a five-year period, commencing July 1, 1996.

We commend the Company for its hard work in restoring service to its customers after these storms. Utilities are not normally allowed to earn a return on regulatory assets, other than deferred fuel. Nevertheless, because of the facts unique to this case, i.e., the extent of the storm damage, the amount of the costs involved, the fact that the expenditures were necessary to preserve public health and safety, and the length of the amortization period, we shall allow Appalachian to earn a return on this regulatory asset, net of associated deferred taxes, during the amortization period.

After considering our adjustments to the Hearing Examiner's Report, Appalachian's return on equity on a fully adjusted basis is 11.29%, which is within the Company's authorized range of 10.5-11.5%. Accordingly, Appalachian is not entitled to a rate increase.

NOW, THEREFORE, IT IS ORDERED THAT:

(1) The recommendations of the Hearing Examiner set forth in her March 28, 1996 Report, as modified herein, are adopted.

(2) The Company shall forthwith file revised tariffs designed to produce no additional gross revenues effective for service on and after November 15, 1994.

(3) On or before July 26, 1996, Appalachian shall refund, with interest as directed below, all revenues collected from the application of the interim rates which were effective for service beginning November 15, 1994, to the extent that such revenues exceed on an annual basis the revenues that were previously in effect and approved by Case No. PUE920081.

(4) Interest upon such refunds shall be computed from the date payment of each monthly bill was due during the interim period until the date refunds are made, at an average prime rate for each calendar quarter. The applicable average prime rate for each calendar quarter shall be the arithmetic mean, to the nearest one-hundredth of one percent, of the prime rate value published in the Federal Reserve Bulletin or in the Federal Reserve's Select Interest Rates ("Select Interest Rates") (Statistical Release G.13), for the three months of the preceding calendar quarter.

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[3] Staff determined that Appalachian actually incurred a total of $24.2 million of incremental storm damage expense. Appalachian did not contest this figure.

[4] In support of her decision she cited Commonwealth of Virginia, At the relation of the State Corporation Commission, Ex Parte: In re, Investigation of conservation and load management programs, Case No. PUE900070, 1992 S.C.C. Ann. Rept. 261. There the Commission required utility companies to segregate the expense related to permissible conservation and load management ("CLM") programs from those incurred primarily to increase load and market share. The order also required utilities to provide evidence that its advertising expenses met the new criteria established by the Commission.

The Examiner noted that in several cases filed close in time to the ordered policy change, the Commission declined to disallow covered expenses but put those companies on notice to present stricter proof on the issue in the future. Application of Virginia Natural Gas, Inc., For a general increase in rates, Case No. PUE920031, 1993 S.C.C. Ann. Rept. 256. By extension, the Examiner found that it was appropriate to allow Appalachian to recover its deferred incremental storm damage in its entirety because the case was well under way when the Accounting Division's letter articulating its intent to apply an earnings test to judge regulatory assets was mailed.

[5] There is no question about planning expenses or proof of them as was the case with the advertising expenses discussed by the Examiner and described in Note 4, supra.

[6] Generally accepted accounting principles.

(5) The interest required to be paid shall be compounded quarterly.

(6) The refunds ordered above may be accomplished by credit to the appropriate customer's account for current customers (each such refund category being shown separately on each customer's bill). Refunds to former customers shall be made by a check to the last known address of such customers when the refund is $1 or more. Appalachian may offset the credit or refund to the extent that no dispute exists regarding the outstanding balances of its past or current customers. To the extent that outstanding balances of such customers are disputed, no offset shall be permitted for the disputed portion. Appalachian may retain refunds owed to former customers when such refund amount is less than $1; however, Appalachian 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 customer contacts Appalachian and requests refunds, such refund shall be made promptly. All unclaimed refunds shall be handled in accordance with Va. Code § 55-210.6(2).

(7) On or before August 28, 1996, Appalachian shall file a document with the Division of Energy Regulation showing that all refunds have been lawfully made pursuant to this order and itemizing the cost of the refund and account charged. Such itemization of costs shall include, inter alia, computer costs, personnel hours, associated salaries, and costs for verifying and correcting the refund methodology and developing a computer program.

(8) Appalachian shall bear all costs of the refund directed in this order.

(9) There being nothing further to come before the Commission, this matter shall be removed from the docket and the associated papers shall be placed in the file for ended causes.

CASE NO. PUE940063
JUNE 12, 1996

APPLICATION OF
APPALACHIAN POWER COMPANY

For an expedited increase in base rates

ORDER EXTENDING TIME TO COMPLETE REFUND

On May 24, 1996, the Commission entered its Final Order in this matter, directing Appalachian Power Company ("Appalachian" or "Company") to make refunds of rates collected in excess of the rates found just and reasonable in the Final Order. On June 10, 1996, Appalachian filed its Motion for Additional Time to Complete Refund requesting an extension from July 26, 1996, to September 3, 1996, in which to complete the refund directed by the Final Order, and a similar extension of the date for filing its refund report. The Company acknowledges its obligation to continue to accrue interest on its refund payments until they are made.

NOW THE COMMISSION, having considered the Company's motion, is of the opinion and finds that the request is reasonable and should be granted. Accordingly, IT IS ORDERED:

(1) That Appalachian shall complete its refund on or before September 3, 1996;

(2) That Appalachian shall file its refund report with the Division of Energy Regulation on or before September 30, 1996; and

(3) That this matter shall be dismissed.

CASE NO. PUE940075
FEBRUARY 5, 1996

APPLICATION OF
CENTRAL VIRGINIA ELECTRIC COOPERATIVE

For a change in electric rates and to revise its tariffs

FINAL ORDER

Central Virginia Electric Cooperative ("CVEC" or "the Cooperative") filed its application on December 1, 1994, to revise its base rates to reflect a $2.3 million reduction in the annual cost of electric capacity purchased by the Cooperative from Virginia Power. Ordinarily, this reduction in capacity costs would be passed through CVEC's Wholesale Power Cost Adjustment Clause ("WPCAC") to CVEC's customers as a reduction to energy charges. The application requested the Commission to suspend CVEC's WPCAC as to the reduction in purchased capacity costs, effective January 1, 1995, and allow the Cooperative's proposed restructured base rates to become effective on an interim basis, without suspension, effective January 1, 1995. The application also proposed to revise portions of CVEC's Terms and Conditions of Service. The Cooperative filed financial and operating data for the twelve months ending December 31, 1993, in support of its application.

By Order dated December 19, 1994, the Commission docketed the proceeding, suspended the effect of CVEC's WPCAC as to the approximately $2.3 million reduction in the annual cost of electric capacity purchased from Virginia Power; and permitted CVEC's restructured rates to become effective for service rendered on and after January 1, 1995, subject to refund with interest and conditioned upon the Cooperative billing its customers the lesser of its proposed restructured rates or the rates in effect before CVEC's application was filed. The December 19 Order suspended the proposed changes to CVEC's Terms and Conditions of Service through April 30, 1995.

On January 5, 1995, the Commission entered an order which required the Cooperative to give public notice of its application, assigned the matter to a Hearing Examiner, and set up a procedural schedule for the Cooperative, Protestants, intervenors, and the Commission Staff.

The case was heard by Howard P. Anderson, Jr., on July 18-19, 1995. The Examiner issued his Report on November 20, 1995. CVEC, by counsel, filed exceptions to the Hearing Examiner's Report. On January 4, 1996, Staff filed a Revised Corrected Statement correcting an exhibit attached to Staff's testimony (Statement 1, Revised, Corrected). On January 16, 1996, the Cooperative filed its response to said exhibit.

In his Report, the Examiner found that CVEC's gross annual revenues should be reduced by $2,300,832 to allow the Cooperative an opportunity to earn an actual TIER of 2.58 and a modified TIER of 2.57. In making this determination, the Examiner allowed one-half of the expenses related to charitable contributions and accepted the Cooperative's adjustments relative to CVEC's load management savings, power production expense, interest on customer deposits, toll-free calling expense, and postage expense. He accepted Staff's adjustments for purchased power growth, storm damage, and bill form expense. The Examiner further recommended that CVEC's residential customer charge be set at $9 and established a $10 customer charge for general service customers. He adopted Staff's proposals for outdoor lighting, and recommended that the Cooperative work with Staff to develop a true-up mechanism for economy purchases of power to parallel the calendar year true-up in CVEC's contract with Virginia Power.

NOW THE COMMISSION, having considered the record, the Hearing Examiner's Report and the Comments thereto, as well as the applicable statutes and rules, is of the opinion that the findings and recommendations of the Examiner, as modified and supplemented herein, are reasonable and should be adopted. We disagree with the Examiner's recommendation regarding charitable contributions for the reasons set out below, and will expand upon the Examiner's discussion and recommendations with regards to CVEC's Outdoor Lighting Schedule, Schedule SHL.

In his November 20, 1995 Report, the Hearing Examiner allowed one-half of the $1,265 test year expenses relating to charitable contributions, citing our September 28, 1995 Final Order in Application of Washington Gas Light Company, Virginia Division, Case No. PUE940031. The Washington Gas Light case involved an investor-owned utility. CVEC, on the other hand, is an electric cooperative that is wholly owned by its member-consumers. If the Commission were to disallow as expenses its charitable contributions, CVEC's ratepayers would pay for these charitable donations as members of the Cooperative through a reduction in the amount of capital credits rotated to them. Thus, the disallowance of these expenses represents a matter of timing for the Cooperative's members/consumers. Under these circumstances, we believe it is appropriate to allow the recovery of the full amount of CVEC's expenses related to charitable contributions.

However, like other electric distribution cooperatives, CVEC is subject to Commission regulation as a public utility providing electric service. Consequently, we must continue to scrutinize charitable contributions, and will not hesitate to intervene if such expenses become unreasonable or abusive. Moreover, we strongly encourage the management of a cooperative to disclose information relating to charitable contributions to its members. Such disclosure should facilitate the informed governance of a cooperative by its membership.

The Examiner also recommends that the CVEC's WPCAC continue to apply to the Outdoor Lighting Schedule and adopts Staff's proposals regarding the Outdoor Lighting Class. Under that proposal, Schedule SHL would receive a refund of approximately $53,000. CVEC's Comments, as supplemented by its filing on January 16, 1996, assert that the Examiner's recommended reduction to the Outdoor Lighting Class is larger than the percentage decrease for any other class; that had the reduction been passed through the WPCAC, this class would have only received a $16,115 reduction in revenues, and that the reduction, in addition to being excessive, was unnecessary and unfair.

After review of the evidence, we concur with the Examiner. The record demonstrates that before CVEC's application was filed, Schedule SHL's mercury vapor lights provided a return in excess of CVEC's system return.[1] In its application, CVEC proposed a small increase in the revenue requirement recovered from the Street Lighting Schedule which results from its exclusion from Paragraph B of the WPCAC. In addition, the Cooperative proposed to include five new different street lighting applications of high pressure sodium lighting as part of Schedule SHL and priced these lights based on their developed cost of service and a return of 16.63% of installed cost.[2] This return exceeds the CVEC system return (10.69%) supported by the Cooperative's cost of service study.

The Examiner's Report accepted Staff's recommendations repricing Schedule SHL. Under that recommendation, the prices for mercury vapor lights maintained a rate of return index approximating that provided by the Schedule before the application was filed.[3] The new lighting service options added to the Schedule were repriced so as to bring these service options to parity with CVEC's system return after considering the effects of CVEC's restructured rates. Ex. RMH-17 at 13.

We believe it is appropriate to maintain Schedule SHL's relative relationship to CVEC's system return as to the mercury vapor lighting service options. The Cooperative's recommended pricing does not achieve this result.[4] Further, we believe it appropriate to implement CVEC's new lighting service offerings at a rate which produces returns equivalent to CVEC's system return, rather than at a return in excess of that return. We see no reason to intentionally price this new service significantly above cost of service.

Moreover, we find exclusion of Schedule SHL's energy charges from the WPCAC inappropriate because the sources of power for this Schedule are the same as those for all other rate schedules subject to the WPCAC. Tr. at 73. Removal of the Schedule from the energy usage portion of the

[1] Staff's analysis indicates that CVEC's system return was 16.55%, and the return generated by the Street Lighting Schedule was 22.87%. See Statement 1, Revised and Corrected. CVEC's cost of service study indicates that its system return was 16.55%, and Schedule SHL provided a 26.64% return or relative rate of return index of 1.61. Ex. JSS-7, Exhibit__(JSS-1), at page 1.

[2] See Development of Outdoor Lighting Charges attached as the last page of Exhibit GEW__(1) to Ex. GEW-6.

[3] See Statement 1, Revised, Corrected.

[4] Staff's analysis demonstrates that CVEC's recommendations move Schedule SHL's return index from 1.38, before the application was filed, to 2.21, after considering CVEC's proposed revenue decrease. Statement 1, Revised and corrected. CVEC's analysis indicates that Schedule SHL provided a relative rate of return index of 1.61, before the application was filed, and a relative rate of return of 2.59, once the Cooperative's revenue decrease is considered. See Ex. JSS-7, Exhibit__(JSS-1), at pages 1, 3.

WPCAC could result, in the event the cost of fuel increases, in the Schedule's cost of fuel being spread through the WPCAC to other consumers, who likely do not subscribe to Street Lighting Service. Rates should send proper price signals and recover costs from those consumers creating the costs.

In addition, we are unpersuaded that the services provided under Schedule SHL are different in type from other CVEC schedules. For example, the Street Lighting Schedule remains a tariffed service with its revenues, expenses, and rate base treated above-the-line like all of CVEC's other rate schedules. Tr. at 60-61. CVEC's Planning Engineering Manager testified that the Cooperative plans to continue to offer this service under tariff. Tr. at 70. Under these circumstances, we find the Hearing Examiner's recommendation that the Street Lighting Schedule remain subject to the WPCAC to be proper.

In sum, we find that:

(1) The use of a test year ending December 31, 1993, is proper in this proceeding.

(2) The Cooperative's test year operating revenues, after adjustments, were $30,215,604.

(3) CVEC's test year operating expenses, after adjustments, were $23,917,946.

(4) The Cooperative's adjusted total margins for the test period were $4,795,896, and its modified margins were $4,793,720.

(5) The Cooperative's end of test period rate base, after adjustments, was $40,616,749.

(6) CVEC's rates produced a test year actual TIER of 2.06, a modified TIER of 2.04, and a debt service coverage of 2.06.

(7) Staff's accounting adjustments, as modified by the Hearing Examiner and this Order, are reasonable and should be adopted.

(8) Staff's revenue allocation and rate design proposals, as modified by the Hearing Examiner to reflect a customer charge of $9 for the minimum use residential customer and $10 for general service customer, are reasonable and should be adopted.

(9) CVEC's gross annual revenues should be reduced by $2,300,832 to earn an actual TIER of 2.57 and a modified TIER of 2.57.

(10) CVEC should work with the Staff and forthwith file necessary tariff revisions to moderate the potential impact of excess economy purchases under its contract with Virginia Power.

(11) The Cooperative should refund, with interest, all revenues collected in excess of the rates designed as directed herein.

Accordingly, IT IS ORDERED THAT:

(1) The captioned application is granted to the extent discussed herein and denied otherwise.

(2) On or before March 29, 1996, CVEC shall file revised schedules of rates and charges herein, effective for service rendered on and after January 1, 1995, and shall file revised permanent terms and conditions of service, effective for service rendered on and after May 1, 1995.

(3) On or before June 28, 1996, CVEC shall complete the refund, with interest as directed below, of all revenues collected from the application of its interim rates, which became effective for service rendered on and after January 1, 1995, to the extent that rates designed herein produce revenues which exceed the revenues which would have been collected by application, in lieu thereof, of the permanent rates to be designed and filed in compliance with this Order.

(4) Interest on such refunds shall be computed from the date payment of each monthly bill was due during the interim period until the date refunds are made, at an average prime rate for each calendar quarter. The applicable average prime rate for each calendar quarter shall be the arithmetic mean, to the nearest one-hundredth of one percent, of the prime rate value published in the Federal Reserve Bulletin, or in the Federal Reserve's Selected Interest Rates, for the three months of the preceding calendar quarter.

(5) The interest required to be paid on the foregoing refunds shall be compounded quarterly.

(6) The refunds ordered in paragraph (3) above may be accomplished by credit to the appropriate customer's account for current customers (each refund category being shown separately on each customer's bill). Refunds to former customers shall be made by check to the last known address of such customers when the refund amount is $1 or more. CVEC may offset the credit or refund to the extent no dispute exists regarding the outstanding balances of the accounts of its past or current customers. To the extent that outstanding balances of such customers are disputed, no offset shall be permitted for the disputed portion of the account. CVEC may retain refunds owed to former customers when such refunds are less than $1; however, CVEC shall prepare and maintain a list detailing each of the former accounts for which refunds are retained, and in the event such former customers request refunds, such refunds shall be made promptly. All unclaimed refunds shall be handled in accordance with Virginia Code § 55-210.6:2.

(7) On or before July 31, 1996, CVEC shall file with the Commission's Division of Energy Regulation a document showing that all refunds have been lawfully made pursuant to this Order and itemizing the costs of the refund and account charged. Such itemization shall include, inter alia, computer costs, the personnel hours, associated salaries and costs for verifying and correcting the refund methodology, and developing a computer program.

(8) CVEC shall bear all costs of the refunds directed herein.

(9) CVEC shall forthwith, after working with the Staff, file necessary tariff revisions to moderate the potential impact of excess economy purchases made under its contract with Virginia Power.

(10) There being nothing further to be done herein, this matter is hereby dismissed and shall be removed from the Commission's file of ended causes.

CASE NO. PUE950005
SEPTEMBER 10, 1996

APPLICATION OF
CENTRAL WATER SYSTEMS, INC.

For certificate of public convenience and necessity

FINAL ORDER

On January 18, 1995, Central Water Systems, Inc. ("Central" or "the Company") filed an application with the State Corporation Commission requesting a certificate of public convenience and necessity authorizing it to provide water service to eight (8) subdivisions located in Isle of Wight County, Virginia. Central also filed a proposed tariff of rates, charges, and rules and regulations of service. Specifically, the Company requested approval of a $1,500.00 charge for service connections of three-fourth inches, a $20.00 per month flat rate for customers residing in unmetered subdivisions, and a metered rate of $20.00 for the first 6,000 gallons with an additional $1.15 per 1,000 gallons for usage in excess of that amount.

The Company also proposed a customer deposit equal to a customer's estimated usage for two months, a $25.00 bad check charge, and a 1 1/2% late payment fee. In addition, the Company proposed a $35.00 meter test charge, a $25.00 turn-on charge, a $25.00 meter removal fee, and a $5.00 availability fee.

On March 10, 1995, the Commission entered an order which directed the Company to provide public notice of its application and directed the Commission's Staff to file a report on or before August 17, 1995. In an order dated August 28, 1995, the Commission established a revised deadline for the filing of public comments and requests for hearing.

Pursuant to that Order, several of Central's customers requested a hearing on the Company's proposed rates and the quality of its water service. By Order dated October 19, 1995, the Commission scheduled the matter for hearing on July 23, 1996; declared Central's proposed rates interim and subject to refund; and established a procedural schedule for the filing of pleadings and testimony and exhibits.

On the appointed day, the matter came before Senior Hearing Examiner, Glenn P. Richardson. Counsel appearing at the hearing were William H. Riddick, III, for the Company and Marta B. Curtis for the Commission's Staff. No protestants or interveners appeared or participated in the hearing. Proof of public notice was received at the commencement of that hearing.

There were no issues in controversy at the hearing between the Company and Staff. The Company agreed to accept Staff's proposed rate design and its recommended miscellaneous service charges as well as Staff's recommendations to delete certain language in its tariff and to conduct certain testing for fluoride for its Titus Creek system. The Company also agreed to accept Staff's accounting and booking recommendations.

Specifically, Staff proposed a rate design that includes a monthly metered charge of $18.50 for the first 4,000 gallons; a $1.15 per 1,000 gallon rate for usage between 4,001 - 8,000 gallons; and a $1.50 per 1,000 gallons for all usage over 8,000 gallons. Staff also proposed a monthly non-metered rate of $20.00

Staff recommended that the Company's proposed service connection fee be reduced to $275.00 plus gross-up for taxes and that its meter test fee, turn-on charge, and meter removal fee be reduced to $22.50. Staff also recommended that the Company omit language in Rule No. 9f that would allow the Company to hold a property owner liable for a tenant's bills.

Further, Staff recommended that the Company be required to maintain its books and records in accordance with Uniform System Accounts for Class C Water Companies; accurately document time spent by C. Ray Kellogg on the Company's business; and retire certain plant carried on its books. Finally, Staff recommended that Central, when filing its federal income tax returns, be required to take advantage of accelerated depreciation.

On August 9, 1996, the Hearing Examiner filed his Report. In his Report he found that Central should be granted a certificate of public convenience and necessity and that the Company's proposed rates were just and reasonable. The Examiner recommended that Staff's proposed rate design be made effective for service rendered on and after the Commission's final order in this proceeding.

The Examiner also found that miscellaneous charges proposed by Staff should be adopted as well as Staff's proposed accounting and booking recommendations. The Examiner found that Rule No. 9f should be removed from Central's rules and regulations and that Central should be required to test its Titus Creek system for fluoride content within six (6) months of the final order in this proceeding. Central should then be required to report such results to the Commission's Division of Energy Regulation.

In his Report, the Examiner discussed the only quality of service issue raised in customer comments; specifically, the high level of fluoride in several of the Company's water systems. The Examiner referenced Staff's prefiled testimony stating that high fluoride levels were not unusual for companies operating in Isle of Wight County and in the surrounding areas. He also noted that the Company was aware of the problem and was working with the Virginia Department of Health to reduce those fluoride levels.

There were no comments or exceptions filed to the Hearing Examiner's Report.

NOW THE COMMISSION, having considered the Hearing Examiner's Report and the record, is of the opinion that the Examiner's findings should be adopted with the limited exception detailed herein. We will grant the Company a certificate of public convenience and necessity and approve the Company's proposed rates and miscellaneous charges, as modified by Staff and agreed upon by the Company, with the exception of the tax gross-up

portion of the Company's service connection fee. We will not, however, approve the tax gross-up portion of that fee, as service connection fees are no longer subject to federal income tax pursuant to new legislation adopted subsequent to the date of the Hearing Examiner's Report.[1]

There will be no customer refunds to those metered customers who may experience a slight decrease in their bills due to the modification in the Company's rate design. We agree with the Examiner that the burden of recalculating metered rates would outweigh any slight benefit to such customers. We will, therefore, make Central's rates, charges, rules & regulations of service effective for service rendered on and after October 1, 1996. Accordingly,

IT IS ORDERED THAT:

(1) The findings of the Hearing Examiner, as modified and detailed herein, are hereby adopted.

(2) Central Water Systems, Inc. shall be granted Certificate No. W-284 to provide water service to the Wrenns Mill Estates, Cannon Acres, Longview Acres, Cherry Grove Acres, Springfield Downs, James River Shores, Deer Run and Titus Creek subdivisions in Isle of Wight County, Virginia.

(3) Central's proposed rates, charges, rules and regulations of service, as modified by Staff, are hereby approved, with the exception of the tax gross-up portion of the service connection fee, effective for service rendered on and after October 1, 1996.

(4) On or before November 1, 1996, Central shall file with the Commission's Division of Energy Regulation a revised tariff incorporating the rates, charges, and rules and regulations of service adopted herein.

(5) The Company shall implement Staff's accounting and booking recommendations.

(6) The Company shall test its Titus Creek system for fluoride within six months from the date of this Order and shall report such results to the Commission's Division of Energy Regulation on or before April 1, 1997.

(7) This case is hereby dismissed from the Commission's docket of active cases and the papers placed in the file for ended causes.

[1] Small Business Job Protection Act of 1996, Pub. L. No. 104-188,§ 1612,-Stat.-(to be codified as I.R.C. § 118) (1996) (excludes from taxable income contributions in aid of construction for water and sewer utilities).

CASE NOS. PUE950006 and PUE960042
DECEMBER 12, 1996

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

Annual Informational Filing

ORDER ADOPTING RECOMMENDATIONS

Washington Gas Light Company ("WGL" or "the Company") filed its Annual Informational Filings on December 12, 1995, and March 29, 1996, for the test years ending December 31, 1994, and December 31, 1995, respectively. The filing of the 1994 AIF had been delayed pending the issuance of a Final Order in the Company's last general rate case.

On August 15, 1996, the Staff filed its Report on the Company's AIF. Staff's Report stated that although WGL's financial performance was good in 1994 its return on equity after adjustments fell below the authorized range of 11%-12%. The Report further stated that the Company's 1995 jurisdictional per books return on equity was very close to the top of the authorized range at 11.96%. Staff's current practice is to request an earnings test analysis from a company when its per books return on year-end investments indicates a potential overearnings situation. Consistent with this practice, Staff conducted an earnings test analysis based on 1995 actual jurisdictional earnings, average rate base, and average capital structure. Staff stated that the results of the earnings test placed the Company's return on equity at 13.05%.

To remedy this overearning situation, Staff recommended that the Company eliminate the balance of the deferral recorded on its books for costs allocable to Virginia related to WGL's East Station environmental remedies activities. The East Station deferral was established in Case No. PUE940031 with an amortization period of 12 years. As the deferral included both actual and projected charges, it was necessary for the amortization to be trued-up as actual charges became available. Staff stated that the true-up mechanism should also be eliminated.

The Company's only remaining regulatory asset related to the OPEB implementation deferral. When companies adopted SFAS 106, they were allowed by the Commission to defer the differences between the SFAS 106 accrual and the pay-as-you-go amount that was included in rates. The deferral and subsequent amortization were allowed if an earnings test, that included a weather normalization adjustment, indicated that the Company had underearned, when compared to the authorized return, during the deferral period. As the OPEB deferral was allowed after an earnings test that incorporated weather normalization, Staff stated that it was appropriate to apply a weather normalized earnings test to determine if a write-off of the OPEB implementation deferral is warranted. Staff stated that a weather normalized earnings test based on the results for the year ended December 31, 1995, found the Company within its authorized range. As such, Staff did not recommend a write-off of the OPEB implementation deferral at this time.

By letter dated July 5, 1996, that was included as an exhibit to the Staff Report, WGL agreed with Staff's position regarding the Company's East Station regulatory asset. WGL stated that the Company would charge the balance of the regulatory asset to expense and eliminate the regulatory asset when it closes its books as of June 30, 1996. By letter to Staff filed December 6, 1996, WGL stated that the Company has in fact eliminated the regulatory asset on its books for East Station environmental remediation costs allocable to Virginia, by charging the full amount thereof, or $1,774,654, to expense.

THE COMMISSION, upon consideration of this matter, is of the opinion and finds that WGL's accounting treatment for its regulatory asset as described above should be accepted and that this matter should be closed. Accordingly,

IT IS ORDERED THAT:

(1) WGL's removal of its regulatory asset associated with its East Station Remediation is hereby accepted and approved.

(2) This matter is hereby closed and removed from the Commission's docket of active cases.

CASE NO. PUE950019
APRIL 9, 1996

APPLICATION OF
SOUTHWESTERN VIRGINIA GAS COMPANY

For a general increase in rates and to revise its tariffs

FINAL ORDER

On March 29, 1995, Southwestern Virginia Gas Company ("Southwestern" or "the Company") filed an application for a general increase in gas rates designed to produce additional annual operating revenues of $406,187, based upon the Company's operations for the twelve months ending December 31, 1994. Southwestern also proposed to restructure its rate schedules for firm customers, eliminate several rate schedules, modify its current terms and conditions of service, and increase several of its miscellaneous tariff charges.

Pursuant to its April 25, 1995 order, the Commission suspended the Company's proposed rates through August 26, 1995, assigned a Hearing Examiner to the matter, established a procedural schedule, and set a hearing date. Pursuant to Virginia Code § 56-238, the Company implemented its proposed rates and revised tariffs, effective for service rendered on and after August 27, 1995.[1]

The case was heard by Senior Hearing Examiner Glenn P. Richardson on October 31, 1995. The Examiner issued his report on March 5, 1996. On March 15, 1996, Southwestern filed a letter, noting that it took no exception to the Examiner's report.

In his report, the Examiner found:

(1) The use of a test year ending December 31, 1994, is proper in this proceeding;

(2) The Company's test year operating revenues, after all adjustments, were $6,210,754;

(3) The Company's test year operating revenue deductions, after all adjustments, were $5,765,725;

(4) The Company's test year net operating income and adjusted operating income, after all adjustments, were $445,029 and $423,961, respectively;

(5) The Company's current rates produced a return on adjusted rate base of 8.15% and a return on equity of 8.80%;

(6) The Company's current cost of equity is within a range of 10.80% - 11.80%, and the Company's rates should be established based on the 11.30% midpoint of the equity range;

(7) The Company's overall cost of capital, using the midpoint of the equity range found reasonable herein, is 9.434%;

(8) The Company's adjusted test year rate base is $5,199,440;

(9) The Company's application, as amended, requesting $251,322 is unjust and unreasonable because it will generate a return on rate base greater than 9.434%;

(10) The Company requires $103,651 in additional gross annual revenues to earn a 9.434% return on rate base;

(11) The Company should examine its business relationships with its affiliated companies and seek approval of any transactions subject to the Affiliated Interests Act;

(12) The Staff's booking recommendations should be implemented by the Company;

(13) The Company's proposed revenue allocation methodology is just and reasonable;

[1] On November 7, 1995, the Company filed a motion to reduce its interim rates to reflect the $251,322 rate increase it supported during the hearing. By ruling dated November 8, 1995, the Company's motion was granted. The revised interim rates were placed into effect for bills rendered on and after November 8, 1995.

(14) The Company's proposed increases in its bad check and reconnection charges are just and reasonable, and the charges should be approved by the Commission;

(15) The revised tariff language proposed by the Company and Staff for Rule 2 of the Company's terms and conditions, allowing the Company to require photo identification in lieu of social security numbers when applying for gas service, should be approved;

(16) The Company should modify its Rate Schedule B, Commercial and Industrial Firm Service, in its future rate cases in accordance with Staff witness Frassetta's recommendations; and

(17) The Company should update the factors and rates used in the calculation of the Maximum Allowable Investment in its line extension policy.

NOW THE COMMISSION, upon consideration of the record, the Hearing Examiner's report, and the applicable statutes, is of the opinion and finds that the recommendations of the Hearing Examiner are reasonable and should be adopted.

We adopt the Hearing Examiner's reasoning, findings, and recommendations as our own on issues relating to the appropriate level of operating expense, employee bonuses, capitalization of administrative and general salaries, cost of equity, Staff's booking recommendations, revenue allocation, bad check and reconnection charges, revised tariff language for Rule 2 of the Company's terms and conditions, Staff's proposed modification of Rate Schedule B, and updating the factors and rates used in calculating the Maximum Allowable Investment. However, the Commission believes that the issue of salary expenses for affiliated officers requires further discussion.

The Examiner found that the salary expenses proposed by the Company for Charles T. Williams, III, David McI. Williams, and Charlotte Williams McClain are just and reasonable and consistent with the public interest. We agree that the Company presented evidence to support some level of salary expense for these affiliated officers, and we think the amount recommended by the Examiner is reasonable. Virginia Code § 56-78 grants the Commission discretion to allow or exclude payments by a utility to affiliated interests. In this case, it is clear that the affiliated officers performed some work on behalf of the Company. However, the Company did not introduce any contemporaneous time records supporting the number of hours each officer worked and provided little basis for valuing the officers' services.

In order to avoid future controversies on this issue, the Company should require its officers to keep accurate, contemporaneous records of the hours worked and tasks performed for Southwestern. Further, the Company should provide support for its officers' hourly pay, including evidence of the hourly rate the officers charge to others for similar services and the going hourly rate others receive for similar services. Failure to provide evidence on this issue in subsequent cases may require disallowance of all such expenses. Accordingly,

IT IS ORDERED THAT:

(1) The findings and recommendations of the Hearing Examiner's March 5, 1996 report, as clarified herein, are accepted.

(2) The Company shall be granted an increase in gross annual revenues of $103,651, effective for service rendered on and after August 27, 1995.

(3) On or before April 30, 1996, Southwestern shall file revised schedules of rates and charges and revised terms and conditions of service consistent with the findings herein, effective for service rendered on and after August 27, 1995.

(4) The Company shall implement the following booking recommendations: (i) the Company shall prospectively book its over- and undercollection of purchased gas expense to Account 805.1; (ii) the Company shall capitalize an appropriate portion of administrative and general salaries effective with the rate year beginning August 27, 1995; (iii) effective August 27, 1995, advertising expenses not conforming with the definition of conservation and load management advertising shall be booked in non-operating Account No. 426.5.

(5) On or before August 30, 1996, Southwestern shall complete the refund, with interest as directed below, of all revenues collected from the application of the interim rates which were effective for service beginning August 27, 1995, 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.

(6) Interest upon the ordered refunds shall be computed from the date payment of each monthly bill was due during the interim period until the date refunds are made, at an average prime rate for each calendar quarter. The applicable average prime rate for each calendar quarter shall be the arithmetic mean, to the nearest one-hundredth of one percent, of the prime rate values published in the Federal Reserve Bulletin, or in the Federal Reserve's Selected Interest Rates ("Selected Interest Rates") (Statistical Release G.13), for the three months of the preceding calendar quarter.

(7) The interest required to be paid shall be compounded quarterly.

(8) The refunds ordered in paragraph 5 above, may be accomplished by credit to the appropriate customer's account for current customers (each refund category shown separately on each customer's bill). Refunds to former customers shall be made by a check to the last known address of such customers when the refund amount is $1 or more. Southwestern may offset the credit or refund to the extent no dispute exists regarding the outstanding balances of its current customers, or customers who are no longer on its system. To the extent that outstanding balances of such customers are disputed, no offset shall be permitted for the disputed portion. The Company may retain refunds owed to former customers when such refund amount is less than $1. However, Southwestern shall prepare and maintain a list detailing each of the former accounts for which refunds are less than $1, and in the event such former customers contact the Company and request refunds, such refunds shall be made promptly. All unclaimed refunds shall be handled in accordance with Virginia Code § 55-210.6:2.

(9) On or before September 20, 1996, the Company shall file with the Staff a document showing that all refunds have been lawfully made pursuant to this order and itemizing the cost of the refund and accounts charged. Such itemization of costs shall include, inter alia, computer costs, and the personnel-hours, associated salaries and cost for verifying and correcting the refund methodology and developing the computer program.

(10) Southwestern shall bear all costs of the refunds directed in this order.

(11) The Company shall revise its subsequent cost of service studies as recommended in Ex. GGF-11, pages 2-5.

(12) The Company shall continue to move all of its rate classes toward parity in future rate cases.

(13) The final revenues shall be allocated in the same proportion as proposed by the Company to maintain proportional movements toward parity. The rates designed herein should apply any decreases to the energy charges, while customer charges remain at the levels proposed in the Company's interim tariffs.

(14) The Company shall perform a customer cost of service study in future cases to continue to move customer charges toward the actual cost of service.

(15) Southwestern shall segregate the commercial and industrial firm services in Rate Schedule B and collect data supporting further restructuring as part of its next rate application.

(16) The Company shall implement the proposed budget billing tariff described in Exhibit GGF-4 attached to Ex. GGF-11 and shall add the tariff language to Section 33-Discontinuance of Service by Company set forth in Ex. GGF-11, pages 17-18.

(17) There being nothing further to be done in this matter, this case shall be dismissed.

CASE NO. PUE950019
APRIL 29, 1996

APPLICATION OF
SOUTHWESTERN VIRGINIA GAS COMPANY

For a general increase in rates and to revise its tariffs

AMENDING ORDER

On April 26, 1996, Southwestern Virginia Gas Company ("the Company") filed a petition to amend the Commission's Final Order issued April 9, 1996, in this rate proceeding. The Company notes that ordering paragraph 3 of the Final Order directs the Company to file revised schedules of rates and charges effective for service rendered on and after August 27, 1995. The Company asserts it has always operated on a "bills rendered" basis, and that ordering paragraph 3 should be amended to read that the Company's rates and charges "shall become effective for bills rendered on or after August 27, 1995."

NOW HAVING CONSIDERED the matter, the Commission is of the opinion and finds that the Company's petition should be granted. Accordingly,

IT IS ORDERED THAT ordering paragraphs 2 and 3 of the April 9, 1996 Final Order in this proceeding shall be amended to substitute the phrase "bills rendered on and after August 27, 1995" for "service rendered on and after August 27, 1995."

CASE NO. PUE950024
JULY 17, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
LUNDIE UTILITIES, INC.

FINAL ORDER

On March 17, 1995, Lundie Utilities, Inc. ("Lundie" or "the Company") notified its customers pursuant to the Small Water or Sewer Public Utility Act, Virginia Code § 56-265.13:1 et seq., of its intent to revise its tariff effective May 1, 1995. The Company proposed to increase its bimonthly minimum charge of $16.00 to $24.00; its usage rate per 1,000 gallons for the first 8,000 gallons from $1.00 to $1.25; and its usage rate per 1,000 gallons for all in excess of 8,000 gallons from $1.40 to $1.50.

By April 20, 1995, the Commission had received objections from approximately 74% of Lundie's customers. On April 27, 1995, the Commission entered a Preliminary Order suspending Lundie's rates for a period of sixty days and declaring such rates interim and subject to refund for service rendered on and after June 30, 1995. By order entered on May 26, 1995, the Commission established a procedural schedule for the filing of pleadings, testimony, and exhibits and set the matter for hearing before a hearing examiner on December 12, 1995. That procedural schedule was subsequently extended pursuant to a December 7, 1995 Ruling granting Lundie's Motion for Extension of Filing and Hearing Schedule. However, the December 12 date was retained for receipt of public witnesses' statements.

Pursuant to that Ruling, a public hearing was held on December 12, 1995, before Hearing Examiner Howard P. Anderson, Jr. At that hearing, a witness appeared and testified regarding her concern about water quality. Specifically, she was concerned about incidents of bacteria contamination and bad water odor.

A hearing was also held on February 8, 1996, before Hearing Examiner Anderson for the purpose of receiving evidence in the matter. Counsel appearing at both hearings were Kenworth E. Lion, Jr., for the Company and Marta B. Curtis for the Commission's Staff.

At the commencement of the hearing, the Company presented proof of notice. No intervenors appeared.

At issue at the hearing were accounting adjustments relative to salary expense and the cost associated with the installation of a liquid chlorine feed system. The Company maintained that the expense associated with the salary of its part-time operator was reasonable while Staff reduced that expense to salary based on a twelve-hour work week. The Company included costs associated with the installation of a liquid chlorine feed system that was due to be installed the week after the hearing. Staff, however, opposed the inclusion of such costs since they would be incurred beyond the pro forma period.

Although not at issue in the proceeding, Staff recommended the booking of certain accounting adjustments and the inclusion of certain revisions to Lundie's tariff with specific reference to the language relevant to customer deposits. Staff also recommended that Lundie maintain its books and records in accordance with the Uniform System of Accounts for Class C Water Companies.

On June 7, 1996, the Hearing Examiner filed his Report. The Examiner found that:

1. The use of a test year ending December 31, 1994, is proper for this proceeding;

2. The Company's test year operating revenues, after all adjustments, were $54,867;

3. The Company's test year operating expenses, after all adjustments, were $54,205;

4. The Company's test year adjusted operating income, after all adjustments, was $662;

5. The Company's rate base, after all adjustments, is $123,106;

6. Staff's accounting adjustments and bookkeeping recommendations are appropriate and should be adopted;

7. Staff's proposed tariff provisions regarding customer deposits are appropriate and should be approved; and

8. The Company requires $9,419 in additional gross annual revenues in order to earn a 7.62% rate of return on rate base.

The Examiner recommended that the Commission enter an order that adopts the findings in his report; grants the Company $9,419 in additional revenues; approves the Company's rates and tariff, as modified herein; and dismisses the case from the Commission's docket of active cases.

Relative to the issues in controversy, the Examiner found that Staff's adjustment reducing salary expense was appropriate. He also found that costs associated with the addition of chlorination equipment should be capitalized and included in the Company's rate base. In his discussion of such costs, he noted the testimony of the public witness regarding coliform bacteria and water odor and Staff's testimony stating that the installation of a chlorination system would alleviate or eliminate such problems.

In adopting Staff's accounting adjustments and recommended revenue requirement, the Examiner also adopted Staff's recommended rate design. Specifically, Staff recommended that the Company's bimonthly minimum charge be set at $19.00; its usage rate per 1,000 gallons for the first 8,000 gallons be set at $1.25; and its usage rate per 1,000 gallons for all in excess of 8,000 gallons be set at $1.50.

The Examiner also noted that no refund was necessary since the Company had advised Staff that it had not implemented its proposed increase on an interim basis.

No comments or exceptions were filed to the Hearing Examiner's Report.

NOW THE COMMISSION, having considered the Examiner's Report and the record, is of the opinion that the Examiner's findings and recommendations are reasonable and should be accepted. Accordingly,

IT IS ORDERED THAT:

(1) The findings and recommendations of the Hearing Examiner as detailed in his June 7, 1996 Report are hereby adopted.

(2) Lundie be, and hereby is, granted $9,419 in additional revenues.

(3) Lundie's proposed rates and tariffs, as modified herein, are approved.

(4) The Company shall implement Staff's booking recommendations.

(5) This case is hereby dismissed from the Commission's docket of active cases and the papers placed in the file for ended causes.

CASE NO. PUE950031
FEBRUARY 23, 1996

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For an Annual Informational Filing

ORDER ADOPTING RECOMMENDATIONS AND DISMISSING PROCEEDING

On April 28, 1995, Virginia Electric and Power Company ("Virginia Power" or "the Company") filed its Annual Information Filing ("AIF") with the State Corporation Commission ("Commission") for the twelve months ending December 31, 1994. Consistent with the Commission's March 27, 1995 Order, entered in Case No. PUE930008, the Company's AIF included supplemental schedules reflecting adjustments that would otherwise be filed only with a general rate application.

In the captioned AIF, Virginia Power requested the Commission to issue an accounting order allowing the Company to contribute more monies to its qualified nuclear decommissioning fund. The Company's application explained that a Commission order was required to implement new funding levels in order to maximize the tax effectiveness of the amounts contributed. According to Virginia Power, Internal Revenue Code ("IRC") § 468A(a) and the Energy Policy Act of 1992 allow a current deduction and reduced tax rates on earnings of funds set aside in a qualified fund for decommissioning of nuclear power units.

On November 17, 1995, the Commission Staff filed its Report concerning the application. In its Report, among other things, Staff supported the smaller annual expense levels for decommissioning costs indicated by the DECON 3 nuclear fuel decommissioning scenario rather than the DECON 2 scenario supported by the Company. Staff also recommended that the Commission direct the Company to file its next AIF as an expanded AIF, with additional schedules, including supplemental Schedule 11, reflecting its calendar year 1995 operations on an earnings test basis, i.e., using average rate base and investment.

On December 13, 1995, the Commission entered an interim accounting order allowing new annual decommissioning funding levels effective, on an interim basis, September 1, 1995. The funding levels approved therein assumed a DECON 2 scenario and were based on the assumptions contained in the Company's April 28, 1995 filing, as well as various after-tax return assumptions filed with Virginia Power's December 1, 1995 Motion for Expedited Treatment and Issuance of an Interim Accounting Order.

On December 15, 1995, Virginia Power filed its Response to the Staff's Report, challenging the appropriateness of various Staff adjustments. On January 19, 1996, the Staff filed its Reply to Virginia Power's Response, urging the Commission to determine only the issues related to nuclear decommissioning and the early retirement and voluntary separation program in this proceeding. The Staff proposed to continue to monitor and investigate the other issues raised in its Report in subsequent proceedings. It renewed its request that the Company file additional schedules with its next AIF.

NOW, UPON CONSIDERATION of the application, the Staff's Report, together with the responses and pleadings filed herein, the Commission is of the opinion and finds that the Company may continue to book and fund its nuclear decommissioning qualified trust at the levels specified in our December 13, 1995 Interim Accounting Order. However, we intend to continue to evaluate these cost estimates. The 1990 cost estimates for nuclear fuel decommissioning for Surry Units 1 and 2 and North Anna Units 1 and 2 assumed estimated expenditures of $902,771,800 for nuclear decommissioning, while the DECON 2 scenario for 1994 assumes cost estimates of $1,105,037,376, an increase of $202,265,576 or 22.4 percent over the 1990 estimate. Consequently, while we will authorize the Company to continue to book and fund the qualified trust at the levels specified in our Interim Accounting Order, we will continue to review the appropriateness and potential impacts on ratepayers of decommissioning costs. For purposes of this AIF we include the DECON 2 level in cost of service, effective September 1, 1995; however, we believe it may be appropriate to revisit this issue in a future proceeding, where other interested participants may voice concerns over this increase.

With respect to the issues raised by the Staff related to credit support provided by Virginia Power to Dominion Resources, Inc. ("DRI") and non-utility affiliates; Staff's imputation of investment income to Virginia Power; removal of costs associated with DRI executive charges from Virginia Power's cost of service; and treatment of expenses related to charitable contributions, we agree with the participants that these issues do not result in the Company earning outside of its authorized range for calendar year 1994, and therefore we will investigate them further in a subsequent proceeding.

As to the early retirement and voluntary separation costs incurred by Virginia Power, the Company recognized the full cost of this program during 1994 on its books, and even with these expenses was able to earn a 10.93% return on equity, within its authorized range of 10.5%-11.5%. Under these circumstances, it is unnecessary for Virginia Power to amortize the expenses associated with these costs.

Finally, in light of the number and complexity of the issues raised in this proceeding, and because it has been some time since a comprehensive investigation of Virginia Power's cost of service has occurred, we find that the Staff should thoroughly examine Virginia Power's cost of service, including its cost of capital and return on equity, in the Company's AIF reflecting its operations for 1995, or in any rate proceeding filed in lieu of its 1995 AIF. We will direct the Company to file the full complement of rate schedules required by our Rules Governing Utility Rate Increase Applications and Annual Informational Filings ("Rate Case Rules") for general rate cases with its AIF for its 1995 operations or as part of any rate filing. These schedules shall include all of the accounting adjustments required by our Rate Case Rules for a general rate application. In addition, Virginia Power shall file a supplemental Schedule 11, presented on an earnings test basis, i.e., incorporating average investment and rate base.

Accordingly, IT IS ORDERED THAT:

(1) Consistent with the findings made herein, Virginia Power may book and fund its qualifying trust for the decommissioning of nuclear fuels at the levels set out in our December 13, 1995 Interim Accounting Order. The annual funding levels per nuclear unit approved in that Order were as follows:

North Anna 1	$ 6,125,088
North Anna 2	$ 5,874,075
Surry 1	$ 8,791,632
Surry 2	$ 8,759,773

(2) Virginia Power shall file as part of its AIF due in March, 1996, or as part of any rate application filed in lieu thereof, all of the schedules required by our Rate Case Rules. These schedules shall be adjusted to reflect all of the accounting adjustments permitted by the Rate Case Rules for a general rate application.

(3) As part of the filing required in Paragraph (2) above, Virginia Power shall also file a supplemental Schedule 11, presented on an earnings test basis.

(4) There being nothing further to be done herein, this matter shall be dismissed from the Commission's docket of active proceedings.

CASE NO. PUE950033
APRIL 24, 1996

APPLICATION OF
COMMONWEALTH GAS SERVICES, INC.

For a general increase in natural gas rates

ORDER ACCEPTING MODIFIED SETTLEMENT

On May 15, 1995, Commonwealth Gas Services, Inc. ("Commonwealth" or "the Company") filed an application for a general rate increase, seeking $15,134,837 in additional gross annual revenues. The application also proposed to revise its tariffs, add a new banking and balancing service for transportation customers, develop a separate rate for smaller volume transportation customers, replace General Service Rate Schedule GSS with a new Large General Sales Service Rate Schedule LGS and add a new Natural Gas Vehicle Service Rate Schedule ("NGVs").

By Order dated June 9, 1995, we docketed the captioned matter and suspended the Company's rates through October 12, 1995. Pursuant to Virginia Code § 56-238, the Company's proposed rates and tariff revisions became effective for service rendered on and after October 13, 1995.

The case was heard by Howard P. Anderson, Jr., Hearing Examiner on January 16, 1996. The Examiner issued his report on March 12, 1996. Comments in support of the report and requesting expedited consideration of the matter were filed by the Company and by AlliedSignal, Inc.; Celanese Fibers, Inc.; E.I. du Pont de Nemours & Co., Inc.; ICI Americas, Inc.; LG&E Power Systems; Owens-Brockway Glass Container, Inc.; Reynolds Metals Company; Ross Laboratories; Virginia Fibre Corporation; and Westvaco Corporation (hereafter collectively referred to as "Industrial Protestants").

In his report, the Examiner found:

(1) The Stipulation and Recommendation presented by Commonwealth, Staff, and the parties is just and reasonable and should be adopted by the Commission;

(2) The twelve months ending December 31, 1994, is an appropriate test period in this case;

(3) Staff's update of the Company's rate base and associated adjustments through November 30, 1995, is appropriate;

(4) The Company's test year operating revenues, after all adjustments, were $153,315,608;

(5) The Company's test year operating revenue deductions, after all adjustments, were $139,968,660;

(6) The Company's test year net operating income and adjusted net operating income, after all adjustments, were $13,346,948 and $13,049,652, respectively;

(7) The Company's current rates produced a return on rate base of 7.32%, and a return on equity of 6.35%;

(8) The Company's current cost of equity is within a range of 10.1-11.1%, and the Company's rates should be established based on the 10.60% midpoint of the range;

(9) The Company's overall cost of capital, using the midpoint of the equity range is 9.551%;

(10) The Company's updated adjusted rate base as of November 30, 1995, is $178,293,749;

(11) The Company requires $6,315,271 in additional gross annual revenues;

(12) The Company's rate design should be approved reflecting the recommendations of Company witness Quinn and modified in accordance with the proposals set forth in the Stipulation;

(13) The Company should file permanent rates designed to produce the revenues found reasonable herein using the revenue apportionment methodology agreed upon by Staff and the parties;

(14) The Company's proposals for banking and balancing, as modified, are reasonable and should be approved;

(15) The Company's proposals for pilot programs for off-system sales and capacity release should be further evaluated; and

(16) The Company should be required to promptly refund, with interest, all revenues collected under its interim rates in excess of the amount found just and reasonable herein.

The Examiner recommends that we enter an Order that adopts the findings in his report, grants the Company an increase in gross annual revenues of $6,315,271, remands the Company's proposals for off-system sales and capacity release for further evaluation and hearing, and directs the prompt refund of all amounts collected under the interim rates in excess of the rate increase found just and reasonable in his report.

NOW THE COMMISSION, upon consideration of the record, the Hearing Examiner's report, and the applicable statutes, is of the opinion and finds that the recommendations of the Hearing Examiner, as modified below, are reasonable and should be adopted. We agree that the Stipulation and Recommendation is generally reasonable, and we will incorporate its terms, as modified herein as part of this Order. A copy of the Stipulation and Recommendation is attached and incorporated by reference as Appendix A.

We will amend the Stipulation and Recommendation to allow a hearing on September 17, 1996, to consider Company's off-system sales and capacity release proposals. An extended procedural schedule for these issues will encourage the development of a more complete record on Commonwealth's capacity release, off-system sales revenue sharing proposals, and other related proposals.

Further, if incentive mechanisms are approved for Commonwealth, such mechanisms should be symmetrical in their application, rewarding the Company for successful management and penalizing poor management decisions. In our view, an appropriate incentive mechanism should not serve as a guaranteed bonus to the utility.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the Hearing Examiner's March 12, 1996 report, as modified herein, are accepted.

(2) Appendix A, as modified herein, is reasonable and is hereby adopted.

(3) The Company shall be granted an increase in gross annual revenues of $6,315,271, effective for service rendered and after October 13, 1995.

(4) The Staff's accounting adjustments and booking recommendations are adopted and shall be implemented in accordance with Staff witness Taylor's recommendations.

(5) On or before May 30, 1996, Commonwealth shall file with the Commission revised schedules of rates and charges and revised terms and conditions of service consistent with the findings herein, which, with the exception of the further modified tariff provisions governing capacity release and off-system sales described in Commonwealth witness Shoemaker's rebuttal testimony (Ex. EIS-25), shall be effective for service rendered on and after October 13, 1995.

(6) The further modified tariff proposals for capacity release and off-system sales referred to in Ex. EIS-25 shall remain effective on an interim basis, subject to refund, for service rendered on and after January 1, 1996.

(7) On or before August 30, 1996, Commonwealth shall complete the refund, with interest as directed below, of all revenues collected from the application of the interim rates which were effective for service rendered on and after October 13, 1995, 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.

(8) Interest upon the ordered refunds shall be completed from the date payment of each monthly bill was due during the interim period until the date refunds are made, at an average prime rate for each calendar quarter. The applicable average prime rate for each calendar quarter shall be the arithmetic mean, to the nearest one-hundredth of one percent, of the prime rate values published in the Federal Reserve Bulletin, or in the Federal Reserve's Selected Interest Rates (Statistical Release G.13), for the three months of the preceding calendar quarter.

(9) The interest required to be paid shall be compounded quarterly.

(10) The refunds ordered in paragraph (7) above, may be accomplished by credit to the appropriate customer's account for current customers (each refund category shown separately on each customer's bill). Refunds to former customers shall be made by a check to the last known address of such customers when the refund amount is $1 or more. Commonwealth may offset the credit or refund to the extent no dispute exists regarding the outstanding balances of its current customers, or customers who are no longer on its system. To the extent that outstanding balances of such customers are disputed, no offset shall be permitted for the disputed portion. The Company may retain funds owed to former customers when such refund amount is less than $1. However, Commonwealth shall prepare and maintain a list detailing each of the former accounts for which refunds are less than $1, and in the event such former customers contact the Company and request refunds, such refunds shall be made promptly. All unclaimed refunds shall be handled in accordance with Va. Code § 55-210.6:2.

(11) On or before September 30, 1996, the Company shall file with the Staff a document showing that all refunds have been lawfully made pursuant to this Order and itemizing the cost of the refund and accounts charged. Such itemization of costs shall include, inter alia, the computer costs, personnel hours, and associated salaries, and cost for verifying and correcting the refund methodology and developing the computer program for the refund.

(12) Commonwealth shall bear all costs of the refunds directed in this Order.

(13) This matter shall be remanded to the Hearing Examiner for further proceedings regarding the capacity release and off-system sales revenue sharing mechanisms as well as any alternative mechanisms which may be proposed by Staff or the Protestants in this case (hereafter referred to as "Phase II").

(14) A public hearing concerning Phase II shall be convened before the Hearing Examiner on September 17, 1996, in the Commission's courtroom, located on the second floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219.

(15) On or before June 3, 1996, Commonwealth may file with the Clerk of the Commission an original and twenty (20) copies of supplemental testimony, addressing the Company's capacity release and off-system sales revenue sharing mechanisms. The Company shall serve a copy of said testimony on or before June 3, 1996, upon counsel for the Staff and the Protestants.

(16) On or before August 1, 1996, Protestants shall file with the Clerk of the Commission an original and twenty (20) copies of any supplemental testimony addressing the issues remanded for consideration in Phase II, and shall on the same day serve a copy of said testimony on all parties of record.

(17) Consistent with the modified Stipulation and Recommendation accepted herein, the Staff shall file with the Clerk of the Commission on or before August 23, 1996, an original and twenty (20) copies of testimony addressing Phase II and shall serve a copy of its testimony on each party of record.

(18) On or before September 5, 1996, the Company shall file with the Clerk of the Commission an original and twenty (20) copies of all testimony it desires to introduce in rebuttal to the testimonies of the Staff and Protestants filed on remand and shall serve a copy of same upon all parties of record. Additional rebuttal evidence may be presented without prefiling, provided it is in response to evidence which was not prefiled but elicited at the time of the hearing and, provided further, the need for additional rebuttal evidence is timely addressed by motion during the hearing and leave to present said evidence is granted by the Hearing Examiner.

(19) This matter shall be continued until further order of the Commission.

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

CASE NO. PUE950052
APRIL 5, 1996

APPLICATION OF
ROANOKE GAS COMPANY

For an annual informational filing

ORDER ADOPTING RECOMMENDATIONS AND DISMISSING PROCEEDING

On June 13, 1995, Roanoke Gas Company ("Roanoke" or "the Company") filed its Annual Informational Filing ("AIF") with the Commission, based upon the Company's financial and operating data for the twelve months ending March 31, 1995. On March 14, 1996, the Commission Staff filed its Report in the captioned matter, noting that, after accounting adjustments, the Company was earning a rate of return on equity of 12.32%, which is above its authorized return on equity range of 11.20% to 12.20%. After discussing the matter with the Company, Roanoke agreed to amortize its deferred union organization costs over a period of three years, effective April 1, 1995, and to amortize its deferred early retirement costs over a period of three years effective May 1, 1995. Staff stated that amortization of these items would reduce Roanoke's calculated return on equity to 11.72%, after all adjustments. Because Roanoke's pro forma earnings remained slightly above the midpoint of its authorized range after these adjustments, the Staff recommended that the Company file an earnings test analysis with its next AIF or rate case application in order to measure test year earnings based on average rate base and investment.

By letter dated March 5, 1996, Roanoke advised that it would amortize its deferred union organization costs over three years, effective April 1, 1995, and would amortize its early retirement costs over three years instead of five years. The Company agreed to submit an earnings test as part of its next AIF or rate application, while not agreeing that future adjustments should be based upon an earnings test.

On March 25, 1996, Roanoke advised that it did not intend to file any further comments in response to the Staff's Report.

NOW, UPON CONSIDERATION of the Company's application and the Staff's Report, the Commission is of the opinion and finds that the recommendations set out in the Staff's Report and agreed to by Roanoke, should be accepted, and that this matter should be dismissed.

Accordingly, IT IS ORDERED THAT:

(1) The recommendations set forth in the Staff's March 14, 1996 Report in this matter are hereby accepted.

(2) Roanoke is directed to begin a three year amortization of deferred union organization costs, effective April 1, 1995, and a three year amortization of deferred early retirement costs, effective May 1, 1995.

(3) The Company shall file a supplemental Schedule 11 required by the Rules Governing Utility Rate Increase Applications and Annual Informational Filings on an earnings test basis with its next AIF or rate application.

(4) This matter shall be dismissed and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. PUE950057
JANUARY 5, 1996

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

To amend its certificates of public convenience and necessity authorizing operation of transmission lines and facilities in Rockbridge and Alleghany Counties

FINAL ORDER

Before the Commission is the application of Virginia Electric and Power Company ("Virginia Power") to amend its certificates of public convenience and necessity for the counties of Rockbridge and Alleghany to authorize the construction and operation of a single-circuit 230 kV transmission line. The Company proposes to rebuild the existing Goshen-Low Moor 138 kV line, originally built in 1925, to 230 kV, using as many of the existing structures as possible. The proposed line will require no additional rights-of-way.

Pursuant to our order of August 17, 1995, public notice of this application was given, and a public hearing was conducted on November 21, 1995, in Richmond, Virginia, before a Commission Hearing Examiner. There were no intervenors or protestants in this proceeding. At the end of the November 21, 1995 hearing, Hearing Examiner Howard P. Anderson, Jr., issued his report from the bench recommending that the Commission grant Virginia Power's application. At the close of the Hearing Examiner's oral report, Virginia Power waived the fifteen-day comment period.

Upon review of the record and consideration of the Hearing Examiner's Report, the Commission finds that the public had proper notice of Virginia Power's application, and the Commission may take action. The Commission adopts Examiner Anderson's recommendation that the application be granted.

In recent years, the electric load of the Clifton Forge-Low Moor-Covington area of Virginia has grown steadily from 136 MVA in 1992 to 195 MVA in 1994. This load is projected to increase to 288 MVA by 1988 and 356 MVA by 2004. The principal cause of this load growth is the increasing load at the Westvaco Bleach Board Plant in Covington. There is no question that these facilities are needed in order for Virginia Power to be able to serve the projected area load growth after 1997 under a single contingency condition.

As described in Examiner Anderson's report, the Company considered several alternatives to meet the increasing load of the area, which were rejected due to higher cost and/or technical problems. Although approximately sixteen miles of the twenty-eight mile route pass through the George Washington and Jefferson National Forest, neither the United States Forest Service, nor the Virginia Department of Game and Inland Fisheries objects to the proposed project. In addition, Staff requested the Department of Environmental Quality to coordinate a review of Virginia Power's application by the affected State agencies and localities. According to the DEQ, "[t]he review agencies of the Commonwealth find no significant problems with the proposed Goshen-Low Moor 230 kV transmission line project . . . ."

For all these reasons, we find that Virginia Power's application should be granted and the appropriate amended certificates of public convenience and necessity should be issued to Virginia Power.

As shown on the pages attached to the Company's application, the Commission has previously entered orders and issued certificates authorizing Virginia Power and Alleghany Generating Company to operate jointly certificated facilities in Rockbridge County. While none of these jointly-operated facilities are affected by this application, we find that an amended certificate showing these new facilities should also be issued to Alleghany Generating Company. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to §§ 56-46.1, 56-265.2, and the related provisions of Title 56 of the Code of Virginia, this application be granted.

(2) Virginia Power be authorized to construct and operate a single-circuit 230 kV transmission line between the Company's existing Goshen substation in Rockbridge County and the existing Low Moor substation in Alleghany County.

(3) An amended certificate of public convenience and necessity for Alleghany County be issued to Virginia Power as follows:

> Certificate No. ET-59f, for Alleghany County, authorizing the Virginia Electric and Power Company to operate previously certificated transmission lines and facilities and to construct and operate a single-circuit 230 kV transmission line between its existing Goshen and Low Moor substations; all as shown on the maps attached thereto; Certificate ET-59f will supersede Certificate ET-59e, issued February 10, 1984.

(4) An amended certificate of public convenience and necessity for Rockbridge County be issued to Virginia Power and Alleghany Generating Company as follows:

> Certificate No. ET-107j, for Rockbridge County authorizing Virginia Electric and Power Company and Alleghany Generating Company to operate a jointly owned transmission line and facilities and authorizing Virginia Electric and Power Company to operate previously certificated transmission lines and facilities and to construct and operate a single-circuit 230 kV transmission line between its existing Goshen and Low Moor substations; all as shown on the maps attached thereto; Certificate ET-107j will supersede Certificate ET-107i, issued on July 19, 1990.

(5) This case be dismissed from the docket of active proceedings and the papers herein be placed in the file for ended causes.

CASE NO. PUE950058
MAY 30, 1996

APPLICATION OF
SHENANDOAH GAS COMPANY

For authority to increase its rates and charges for gas service and to revise its tariffs

FINAL ORDER

On July 7, 1995, Shenandoah Gas Company ("Shenandoah" or "Company") filed its application seeking an expedited rate increase designed to produce $1,183,553 in additional annual revenues, before considering revenue credits related to the Company's Margin Sharing Mechanism and Purchased Gas Adjustment credits related to Rate Schedule D standby demand charges, and to make certain changes in its tariffs to introduce or modify certain services. The case was heard before a Hearing Examiner on January 24, 1996, with only the Company and Staff participating. The Company and Staff tendered an Offer of Stipulation that proposed agreement on all issues in the case except the proper cost of capital and capital structure. The Examiner issued her Report on May 3, 1996, in which she found the Offer of Stipulation to be "a reasonable and just resolution to all accounting, rate design and revenue apportionment issues."

In her Report, the Examiner made the following findings and recommendations:

(1) The use of a test year ending March 31, 1995, is proper in this proceeding;

(2) The Company's test year operating revenues, after all adjustments, were $14,786,792;

(3) The Company's test year operating revenue deductions, after all adjustments, were $13,088,513;

(4) The Company's test year net operating income and adjusted net operating income, after all adjustments, were $1,698,279 and $1,681,354, respectively;

(5) The use of a June 30, 1995, capital structure provides a reasonable mix of capital which can be expected to support rate base;

(6) The Company's current rates produce a return on adjusted rate base of 7.15% and a return on equity of 6.57%;

(7) The Company's current cost of equity is within a range of 10.5% to 11.5% and the Company's rates should be established based on 11%, the midpoint of the equity range;

(8) The Company's overall cost of capital using the midpoint of the equity range found appropriate herein is 9.51%;

(9) The Company's adjusted test year rate base is $23,531,539;

(10) The Company's application requesting $1,183,553 in additional gross annual revenues is unjust and unreasonable because it will generate a return on rate base greater than 9.51%;

(11) The Company requires $883,488 in additional gross annual revenues to earn a 9.51% return on rate base;

(12) The Company's rate design, its revenue apportionment, including adoption of standby service, and terms and conditions of service should be modified in accordance with the Offer of Stipulation;

(13) The Company should file permanent rates designed to produce the additional revenues found reasonable herein using the revenue apportionment methodology proposed by Staff and agreed to by the Company in the Offer of Stipulation;

(14) The Company should be required to refund, with interest, all revenues collected under its interim rates in excess of the amount found just and reasonable herein;

(15) In its next rate case, Shenandoah should be required to develop and propose a flexible interruptible rate schedule similar to Washington Gas's Rate Schedule No. 4 to replace its Rate Schedule C;

(16) Shenandoah should adjust certain miscellaneous charges as follows:

A. Shenandoah's reconnection charge for customers requesting temporary discontinuance of service under Rate Schedule A should be increased to $9.00 multiplied by the number of months disconnected (but not in excess of $36.00) if the reconnection occurs within twelve months of disconnection;

B. Shenandoah's dishonored check charge should be increased to $10.00;

(17) The changes recommended by Staff should be made to Shenandoah's class cost of service allocation study including (i) correction to match purchased gas costs in revenues with expenses, (ii) correction to eliminate Shenandoah's double-up of Rate Schedule C revenues in the cost of service study, (iii) allocation methodology of interest on supplier refunds, and (iv) allocation of Construction Work in Progress - Natural Gas Vehicle expense;

(18) In its next rate case, Shenandoah's class cost of service study should be expanded to incorporate an evaluation of alternative mains allocation methodologies;

(19) In future rate cases, Shenandoah should continue to examine returns by class and make appropriate movements toward parity balanced with the objectives of maintaining rate continuity and avoiding rate shock;

(20) In future rate cases, Shenandoah should continue to evaluate customer charge levels and move towards fully cost-based customer charges;

(21) In its next rate case, Shenandoah should evaluate the adoption of separate firm residential, commercial and industrial rate schedules from its current Rate Schedules A and A-C; and

(22) Shenandoah should conduct an analysis of the impact of weather on its revenues and cost of gas, and file the results of its analysis with its next rate application.

The Examiner recommended the Commission adopt a final order consistent with her findings. On May 20, 1996, Shenandoah filed its comments on the Examiner's Report, taking issue only with her recommendation regarding the use of the June 30, 1995 capital structure. The Company asserted that use of an other than end of test year capital structure is not permitted in expedited rate cases by the Commission's Rules Governing Utility Rate Increase Applications ("Rate Case Rules").

NOW THE COMMISSION, having considered the Examiner's Report, the Offer of Stipulation, the comments to the Report, and the applicable statutes and rules, is of the opinion and finds that the recommendations and findings contained in the Examiner's Report are reasonable and should be adopted in their entirety without modification. The Company's argument that the Rate Case Rules dictate use of a specific capital structure is incorrect. The Rate Case Rules restrict only what the applicant must file and do not prevent the Staff and other participants from proposing, or the Commission from adopting, reasonable adjustments to the capital structure (or other items) contained in the application.

Accordingly, IT IS ORDERED:

(1) That Shenandoah's application for an expedited increase in rates be granted to the extent discussed herein and denied otherwise;

(2) That the findings and recommendations contained in the May 3, 1996 Report of the Hearing Examiner are hereby adopted and Shenandoah shall comply with the directives contained in the findings set out in that report and in this Order;

(3) That, on or before July 1, 1996, Shenandoah shall file revised schedules of rates and charges and revised terms and conditions of service consistent with the findings herein, effective for service rendered on and after August 6, 1995;

(4) That, on or before, September 1, 1996, Shenandoah shall refund, with interest as directed below, all revenues collected from the application of the interim rates, which became effective for service rendered on and after August 6, 1995, to the extent that such revenues exceeded, on an annual basis, the revenues that would have been collected by application, in lieu thereof, of the permanent rates to be filed in compliance with this Order;

(5) That interest upon such refunds shall be computed from the date payment of each monthly bill was due during the interim period until the date refunds are made, at an average prime rate for each calendar quarter. The applicable average prime rate for each calendar quarter shall be the arithmetic mean, to the nearest one-hundredth of one percent, of the prime rate values published in the Federal Reserve Bulletin, or in the Federal Reserve's Selected Interest Rates, for the three months of the preceding calendar quarter;

(6) That the interest required to be paid shall be compounded quarterly;

(7) That the refunds ordered in paragraph (4) above may be accomplished by credit to the appropriate customer's account for current customers (each refund category being shown separately on each customer's bill). Refunds to former customers shall be made by a check to the last known address of such customers when the refund amount is $1.00 or more. Shenandoah may offset the credit or refund to the extent no dispute exists regarding the outstanding balances of its past or current customers. To the extent that outstanding balances of such customers are disputed, no offset shall be permitted for the disputed portion. Shenandoah may retain refunds owed to former customers when such refund is less than $1.00; however, Shenandoah shall prepare and maintain a list detailing each of the former accounts for which refunds are retained and in the event such former customers request refunds, same shall be made promptly. All unclaimed refunds shall be handled in accordance with Virginia Code § 55-210.6:2;

(8) That on or before October 1, 1996, Shenandoah shall file with the Commission's Division of Energy Regulation a document showing that all refunds have been lawfully made pursuant to this order and itemizing the costs of the refund and account charged. Such itemization of costs shall include, inter alia, computer costs, the personnel hours, associated salaries and costs for verifying and correcting the refund methodology and developing a computer program;

(9) That Shenandoah shall bear all costs of the refunds directed herein;

(10) That Shenandoah shall develop a flexible interruptible rate schedule similar to Washington Gas Light Company's Rate Schedule No. 4 and propose such new schedule in its next rate application;

(11) That Shenandoah shall modify its reconnection and dishonored check charges as recommended by the Examiner;

(12) That Shenandoah shall incorporate into its class cost of service study filed in its next rate application an evaluation of alternative mains allocation methodologies;

(13) That Shenandoah shall conduct an analysis of the impact of weather on its revenues and cost of gas and file said analysis in its next rate application;

(14) That Shenandoah shall evaluate the adoption of separate firm residential, commercial and industrial rate schedules from its current Rate Schedules A and A-C; and

(15) There being nothing further to come before the Commission, this matter shall be removed from the docket and the papers transferred to the file for ended causes.

CASE NO. PUE950062
AUGUST 5, 1996

APPLICATION OF
C & P ISLE OF WIGHT WATER COMPANY

For a certificate of public convenience and necessity and approval of tariff

FINAL ORDER

C&P Isle of Wight Water Company ("C&P IOW" or "Company") filed an application for a certificate of public convenience and necessity on July 20, 1995, to provide water service to the Ashby and Rushmere Shores subdivisions and the Isle of Wight Industrial Park, and for approval of its rates and tariffs. In October, 1995, the application was modified to include the additional systems of Poplar Harbor No. 1 and No. 2. The Commission's Order of October 12, 1995, made the Company's rates interim and subject to refund as of that date. The case was heard on January 23, 1996. Hearing Examiner Howard Anderson issued his Report on May 29, 1966, recommending issuance of the requested certificate and adoption of the Company's proposed rates and tariffs, with modifications to eliminate the connection fee for the Ashby and Industrial Park systems. The Company accepts these modifications.

The Examiner's Report contains the following findings and recommendations:

(1) C&P IOW should be granted be granted a certificate of public convenience and necessity to provide water service to the Ashby and Rushmere Shores subdivisions, the Isle of Wight Industrial Park, and the Poplar Harbor No. 1 and Poplar Harbor No. 2 systems;

(2) C&P IOW should file an application to amend its certificate of public convenience and necessity to include the Brewer's Creek subdivision;

(3) The use of a test year ending December 31, 1994, was proper for this proceeding;

(4) The Company's test year operating revenues, after all adjustments, were $29,128;

(5) The Company's test year operating income deductions, after all adjustments, were $23,425;

(6) The Company's test year adjusted operating income, after all adjustments, was $5,703;

(7) The Company's rate base, after all adjustments, was $61,041;

(8) Staff's accounting adjustments and bookkeeping recommendations were appropriate and should be adopted;

(9) The Company's proposed rules and regulations, as modified by Staff, were just and reasonable and should be approved by the Commission;

(10) The Company's proposed rates and tariffs, as modified by Staff, were just and reasonable and should be approved;

(11) The Company should collect additional usage information separately for each system on an annual basis and submit such information to the Commission's Division of Energy Regulation for review; and,

(12) The Company should maintain system costs separately for each water system on an annual basis and submit such information to the Commission's Division of Public Utility Accounting for review.

On June 14, 1996, Intervener Larry R. White filed comments on the Report. Mr. White asserts that the uniform rate proposed to be charged all customers of all systems produces excessive rates of return for some systems, specifically Rushmere Shores and Poplar Harbor, while producing losses in the Ashby and the Industrial Park systems. Staff's rate of return statement supports this assertion. That exhibit shows that, after all adjustments, the proposed rates generate a 25.46% rate of return from Rushmere ratepayers and 105.17% rate of return from Poplar Harbor ratepayers.[1] Rates to the Industrial Park, however, where C&P IOW is one of only two customers, generate a -327.21% return, while the rates produce a -12.10% return from the Ashby system. The systems are not interconnected. Staff acknowledged that "the current tariffed rates produce unreasonable rates of return." (Exhibit PLZ-2, p. 15.) Mr. White proposed that customers in Rushmere Shores and the Poplar Harbor systems be charged a flat rate of $17 per month with unlimited, unmetered usage.

NOW THE COMMISSION, having considered the Examiner's Report, the comments and exceptions thereto, and the evidence of record, as well as the applicable statutes and rules, is of the opinion and finds that the recommendations and findings of the Examiner are reasonable and should be adopted, with one exception. The Commission concurs with Mr. White that the proposed rates will produce an excessive rate of return for ratepayers in the Rushmere Shores and Poplar Harbor systems and should be modified. Since the systems are not interconnected the Commission finds no persuasive

[1] This statement also reveals that the Rushmere customers provide more than 100% of the Company's total adjusted operating income.

reason to impose uniform rates that produce such unjustifiably disparate rates of return across the systems. The Commission will therefore substitute a monthly rate of $17 for the $20 proposed rate for the Rushmere Shores and Poplar Harbor systems only.

However, the Commission will also approve the Company's usage-based charges as proposed for these systems. Usage-based charges should promote more efficient water consumption. The usage data collected from reading of the meters should assist the Company and Staff in the process of bringing rates closer to parity in future proceedings. As noted herein, the individual returns generated by the several systems are quite disparate and the Company and Staff are directed, to the extent possible consonant with other sound rate design principles, such as avoidance of rate shock, to reduce or eliminate this disparity. The substituted rates approved here should be regarded as but the first step in this process. We also find from the record that such rates will provide "reasonable and just charges for service" within the meaning of Code § 56-265.13:4. Accordingly,

IT IS ORDERED that:

(1) The findings and recommendations of the Hearing Examiner, as modified herein, are accepted;

(2) C&P IOW shall be granted Certificate No. W-283 to provide service to the Ashby, Rushmere Shores, Isle of Wight Industrial Park, Poplar Harbor No. 1 and Poplar Harbor No. 2 systems;

(3) On or before August 15, 1996, C&P IOW shall file revised tariffs implementing the rates approved herein for customers in its Rushmere Shores and Poplar Harbor systems;

(4) On or before October 1, 1996, C&P IOW shall complete the refund, with interest as ordered below, of all revenues collected from the application of its interim rates, for service rendered on and after October 12, 1995, to the extent that the interim rates produce revenues that exceed the revenues that would have been collected by application, in lieu thereof, of the permanent rates approved herein;

(5) Interest on such refunds shall be computed from the date payment of each 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 one-hundredth of one percent, of the prime rate value published in the Federal Reserve Bulletin, or in the Federal Reserve's Selected Interest Rates, for the three months of the preceding calendar quarter. Said interest shall be compounded quarterly;

(6) The refunds ordered herein may be accomplished by credit to the appropriate customer's account for current customers. Refunds to former customers shall be made by check to the last known address of each such customer if the refund amount exceeds $1. C&P IOW may offset the credit or refund to the extent no dispute exists regarding the outstanding balances of the accounts of its past or current customers. To the extent that outstanding balances of such customers are disputed no offset shall be permitted for the disputed portion of the account. C&P IOW may retain refunds owed to former customers if such refunds are less than $1; however, the Company shall prepare a list detailing each of the former accounts for which refunds are retained and shall promptly pay such refunds upon request from a former customer. All unclaimed refunds shall be handled in accordance with Virginia Code § 55-210.6:2;

(7) On or before November 1, 1996, C&P IOW shall file with the Commission's Division of Energy Regulation a document showing that all refunds have been lawfully made pursuant to this Order and itemizing the cost of such refunds and the account charged. The Company shall bear all costs of the refund;

(8) C&P IOW shall collect and file with the Commission Staff the usage and cost information as recommended by the Hearing Examiner; and

(9) There being nothing further to come before the Commission, the matter is dismissed and shall be removed from the Commission's docket of active cases.

CASE NO. PUE950081
MARCH 28, 1996

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For an expedited increase in gas rates

ORDER DIRECTING REFUND

On September 1, 1995, Virginia Natural Gas, Inc. ("VNG" or "Company") filed an application for an expedited increase in its gas rates. By preliminary order dated September 29, 1995, the Commission permitted the rate schedules filed with the application to go into effect for service rendered on and after October 1, 1995, subject to refund. By Commission order dated October 18, 1995, and Hearing Examiner's ruling dated February 5, 1996, the application was scheduled for hearing on May 21 and July 2, 1996, and a procedural schedule was established.

On February 23, 1996, counsel for VNG moved that its application be withdrawn. VNG stated that if its motion was granted all revenues collected since October 1, 1995, in excess of revenue attributable to rates approved in the Commission's January 30, 1996 final order in Case No. PUE940054 would be refunded, with interest, to customers. VNG further stated that, if the Commission granted its motion, the Commission may wish to consider Case No. PUE950081, filed on September 1, 1995 and based on twelve-month test period ended June 30, 1995 as the Company's Annual Informational Filing that would have been due on September 20, 1995.

On March 19, 1996, the Hearing Examiner issued his ruling, granting the Company's motion for leave to withdraw and canceling the hearings scheduled for May 21, and July 2, 1996. In addition, the Hearing Examiner recommended that the Commission enter an order that:

(1) directs Company to refund with interest all amounts collected under the interim rates in excess of revenue attributable to rates approved in the Commission's January 30, 1996, final order in Case No. PUE940054;

(2) accepts the Company's application as its Annual Informational Filing; and

(3) dismisses this case from its docket of pending proceedings.

By letter dated March 25, 1996, VNG waived any right to file further comments in this matter.

Now the Commission, upon consideration of this matter, is of the opinion and finds that consistent with the Hearing Examiner's recommendations a refund should be ordered and the Company's application should be treated as its Annual Informational Filing. This docket, however, shall remain open to receive Staff's report regarding the Company's Annual Informational Filing. Accordingly,

IT IS ORDERED THAT:

(1) On or before April 26, 1996, VNG shall file revised schedules of rates and charges and revised terms and conditions of service removing the increase originally requested herein effective for service rendered on and after October 1, 1995.

(2) On or before July 17, 1996, VNG shall complete its refund, with interest as described below, of all revenues collected since October 1, 1995, in excess of revenue attributable to rates approved in the Commission's January 30, 1996 final order in Case No. PUE940054.

(3) Interest upon such refund shall be computed from the date payment of each monthly bill was due during the interim period until the date refunds are made, at an average prime rate for each calendar quarter. The applicable average prime rate for each calendar quarter shall be the arithmetic mean, to the nearest one-hundredth of one percent, of the prime rate value established in the Federal Reserve Bulletin, or in the Federal Reserve's Selected Interest Rates, for the three months of the preceding calendar quarter.

(4) The interest required to be paid on the refunds shall be compounded quarterly.

(5) The refunds ordered in paragraph (2) above may be accomplished by credit to the appropriate customer's account for current customers (each refund category being shown separately on each customer's bill). Refunds to former customers shall be made by a check to the last known address of such customer when the refund amount is $1.00 or more. VNG may offset the credit or refund to the extent no dispute exists regarding the outstanding account balances of its past or current customers. To the extent that outstanding balances of such customers are disputed, no offset shall be permitted for the disputed portion of the account. VNG may retain refund owed to former customers when such refund is less than $1.00; however, the Company shall prepare and maintain a list detailing each of the former accounts for which refunds are retained, and in the event such former customers request refunds, the same shall be made promptly. All unclaimed refunds shall be handled in accordance with Va. Code § 55-210.6:2.

(6) On or before August 15, 1996, VNG shall file with the Commission's Division of Energy Regulation a document showing that all refunds have been lawfully made pursuant to this Order, itemizing the costs of the refund and the account charged and providing the information required in the account charge. Such itemization shall include, inter alia, computer costs, personnel hours, associated salaries and costs for verifying and correcting the refund methodology and developing a computer program.

(7) VNG shall bare all costs of the refunds directed herein.

(8) The Company's application shall be treated as its Annual Informational Filing.

(9) This docket shall remain open for receipt of Staff's report on the Company's Annual Informational Filing.

CASE NO. PUE950086
JUNE 14, 1996

APPLICATION OF
FOX RUN WATER COMPANY, INC.

For a Certificate of Public Convenience and Necessity

FINAL ORDER

On September 6, 1995, Fox Run Water Company, Inc. ("Fox Run" or "the Company") filed an application for a certificate of public convenience and necessity with the Clerk of the State Corporation Commission. In its application, Fox Run requested authority to provide water service to approximately 526 residents in the following subdivisions: Brunswick Estates, Lake Gaston Colony, Nottoway Acres, Lane View Acres, Pleasant Grove Estates, Sunny Brook, and Liberty Grove in Brunswick County, Virginia; Fox Run, Champion Forest Shores, Buckhead, Great Creek Landing, Tudor Estates, Timbuctu, Hawks Nest Point, Long Branch Shores, Hicks Hill, and Holly Grove Estates in Mecklenburg County, Virginia; Chesdin Manor, River Road Farms, and Stony Springs in Dinwiddie County, Virginia; and McKenney Acres in Sussex County Virginia. The Company also requested approval of its proposed rates, charges, rules, and regulations of service.

On October 6, 1995, the Commission issued an order inviting written comments and requests for hearing, and directed its Staff to investigate the application and file a report. The Commission received written comments from a number of persons, but no requests for hearing.

On April 10, 1996, the Commission's Staff filed its report on the Company's application. In its report, Staff did not request a hearing, and it recommended that the Company be granted a certificate of public convenience and necessity. Staff's findings and recommendations are as follows:

(1) The 12-month period ending December 31, 1994, is a proper test year for evaluating the reasonableness of the Company's proposed rates;

(2) The Company's adjusted test year operating revenues were $104,878;

(3) The Company's adjusted test year operating expenses were $73,546;

(4) The Company's adjusted test year net operating income was $31,332;

(5) The Company's ratebase, after all adjustments, is $75,780;

(6) Company should be ordered to file a cash flow statement annually with its Annual Financial and Operating Report;

(7) The Company should set up its books in accordance with the USOA for Class C Water Companies;

(8) The Company should establish three tariff schedules. Tariff Schedule 1 includes the same systems as those in the Company's proposed Schedule 1. Tariff Schedule 2 includes the systems in the Company's proposed Schedules 2, 3, and 4. Tariff Schedule 3 includes the same systems as Company's proposed Schedule 5;

(9) The Company should keep records to directly allocate costs to the appropriate schedules;

(10) The Company should keep accurate verifiable records detailing the management services Bernard Nash provides. The management fee should be separate from fees for operations and maintenance and may also include any office equipment rental or other miscellaneous services provided by Moseley & Nash Enterprises;

(11) The Company should keep records to calculate its tax expense;

(12) The Company should keep records of the total annual additions of plant and Contributions in Aid of Construction ("CIAC") for the total Company and each tariff schedule, including the corresponding accumulated depreciation and amortization;

(13) Beginning with January 1996 connections, the Company should be billed for the full amount of the connection costs and recorded in full to CIAC, regardless of the amount of the connection fee retained. Any costs above the connection fee are capital investments in the utility and should be depreciated;

(14) The Company should use a 3% composite depreciation rate for all utility plant. CIAC recorded to account 271 should be amortized over the same period that the plant costs are depreciated and recorded to account 272;

(15) A reasonable level of rates for tariff Schedule 1 is a flat $15.00 per month for residential and a flat $45.00 per month for commercial; a reasonable level of rates for tariff Schedule 2 is a flat $15.00 per month for residential; and a reasonable level of rates for tariff Schedule 3 is the following increasing block structure:

Residential	Gallons per month	Gallons per quarter	Rate per 1,000 gallons
for the first	2,000	6,000	$2.00
for the next	2,000	6,000	$2.75
for all over	4,000	12,000	$3.30

(16) A service connection fee of $1,250.00 is appropriate;

(17) The Company's proposed meter test fee, turn-on charge, availability fee, bad check charge, customer deposit, and late payment charge are just and reasonable;

(18) The Company should modify Rate Schedule 3 using Staff's increasing block rate structure;

(19) The Company's tariff should be amended to remove Rule 9f, which addresses holding the owner ultimately responsible for tenants or agents unpaid bills;

(20) The Company should test for iron, manganese, lead, and copper in systems not regulated by the Virginia Department of Health and report the test results to the Division of Energy Regulation within six months of the date of this Order;

(21) The Company should implement any required treatment or notices, as normally would be required by the Virginia Department of Health, for systems not regulated by the Virginia Department of Health with excessive levels of such contaminants;

(22) The Company should seek Commission approval for the transfer of assets from Moseley & Nash to Fox Run Water Company;

(23) The Company should update its Virginia Department of Health operations permits after the transfer of such assets. The Company should also update the Fox Run/Champion Forest system's permit to indicate that Fox Run is the operator of the system;

(24) The Company should submit an application to amend its certificate to include the Rolling Acres system; and

(25) The Company should determine whether it will hold a certificate for the Tanglewood system and proceed accordingly.

The Company did not file any comments or objections to the Staff Report.

NOW THE COMMISSION, having considered the matter, is of the opinion that the Staff's recommendations are reasonable and should be adopted. Accordingly,

IT IS ORDERED THAT:

(1) The Staff's recommendations, stated in its April 10, 1996 report, are hereby adopted.

(2) Fox Run Water Company, Inc. is hereby granted Certificate No. W-281 to provide water service.

(3) The Company is authorized to charge a flat $15.00 per month for residential and a flat $45.00 per month for commercial for water service under Schedule 1, a flat $15.00 per month for residential water service under Schedule 2, and the following increasing block rate structure under Schedule 3:

Residential	Gallons per month	Gallons per quarter	Rate per 1,000 gallons
for the first	2,000	6,000	$2.00
for the next	2,000	6,000	$2.75
for all over	4,000	12,000	$3.30

(4) The Company's proposed rules and regulations, as modified herein, are hereby approved.

(5) The Company shall file with the Staff tariff sheets reflecting the permanent rates and rules and regulations approved herein.

(6) There being nothing further to come before the Commission, this case shall be removed from the docket and the papers placed in the file for ended causes.

CASE NO. PUE950087
JULY 22, 1996

APPLICATION OF
WEST ROCKINGHAM WATER COMPANY, INC.

For a certificate of public convenience and necessity

FINAL ORDER

On September 7, 1995, West Rockingham Water Company ("West Rockingham" or "the Company") filed an application for a certificate of public convenience and necessity. In its application, the Company requested authority to provide water service to residents of Lilly Gardens and Sunset subdivisions in Rockingham County, Virginia.

The Company also requested approval of the following tariff:

1. Water Rates:

Metered Rates:	$20.00 per quarter for the first 3,000 gallons, and $1.25 per 1,000 gallons for usage over 3,000 gallons.
Minimum Charge:	$20.00 per quarter, and no bill will be rendered for less than $20.00. The minimum charge will become effective when water service is connected to the lot.

West Rockingham renders its bills in arrears on a quarterly basis. The Company proposes a customer deposit equal to the customer's estimated liability for one quarter's usage, a bad check charge of $6.00, a late payment fee of 1 1/2 percent per month on past due balances. The Company also proposes a $60.00 fee for meter testing if the meter has no average error greater than 2 percent and a $40.00 charge to restore water service in the event service has been disconnected for non-payment or for violation of the Company's rules and regulations of service. Additionally, West Rockingham proposes a $50.00 charge to remove the meter if a customer requests to terminate water service. Finally, the Company proposes a one-time availability fee

of $1,200.00 for residential lots which do not receive water service, but the service runs adjacent to, or in front of, the customer's property and service is available upon request.

On October 31, 1995, the Commission issued an Order Inviting Written Comments and Requests for Hearing. In that Order, the Commission directed West Rockingham to give its customers notice of its application and to provide interested persons with an opportunity to comment and/or request a hearing on or before February 29, 1996. The Commission also directed its Staff to review and analyze West Rockingham's application and to file a report detailing its findings and recommendations on or before May 23, 1996.

By letter dated March 1, 1996, the Company requested an extension of time to provide public notice, and On April 1, 1996, the Company requested an amendment to its application to reflect its current usage rate of $2.50 per 1,000 gallons for usage over 3,000 gallons. By order entered on April 2, 1996, the Commission granted such request and directed that interested persons file comments or requests for hearing on or before May 8, 1996.

On May 15, 1996, Staff filed its report. In that report Staff noted that there were no comments or requests for hearing filed. Staff also noted that the Company's proposed revenue requirement did not appear to be unreasonable. Staff, however, recommended that the Company file Annual Financial and Operating reports which would include statements of cash flow in such Annual Reports. Staff also recommended that the Company set up its books in accordance with the Uniform System of Accounts for Class C Water Companies, maintain records to support capital investments and work performed by customers, and book certain adjustments relative to contributions in aid of construction and depreciation.

In addition, Staff recommended that the Company be granted a certificate of public convenience and necessity and that it revise certain miscellaneous service charges, fees, and rules and regulations of service. Specifically, Staff recommended that the proposed meter testing charge be reduced to $57.00, the turn-on charge be reduced to $37.00, and the termination charge be reduced to $37.00 to reflect Staff's adjustment to the labor and travel component of such charges. Staff also stated that the Company should charge its customers a deposit equal to two months' usage consistent with the Commission's January 10, 1987 Order in Case No. 1989, Ex Parte, In Re: Investigation to determine the reasonableness of certain practices and charges by public utilities.

Staff noted that the Company should revise its rules and regulations of service to reflect the true nature of the $1,200.00 charge and accurately reflect the type of service rendered by the Company. Specifically, West Rockingham should revise its tariff to reflect the above referenced charge as a service connection fee (including federal income taxes) rather than an availability fee and should eliminate all references to availability fees and sewer service in its tariff.

NOW THE COMMISSION, having considered the Company's application and Staff's report, is of the opinion and finds that the granting of a certificate is in the public interest. The Company should modify its meter testing charge, turn-on charge, termination charge, customer deposit, and rules and regulation of service consistent with Staff's recommendations. Accordingly,

IT IS ORDERED THAT:

(1) West Rockingham shall be granted Certificate No. W-282.

(2) The Company shall maintain its books and records in accordance with the Uniform System of Accounts for Class C Water Companies, adopt the booking and recordkeeping recommendations detailed in Staff's report, and file Annual Financial and Operating Reports, including a cash flow statement, with the Commission.

(3) The Company should modify its meter testing charge, turn-on charge, termination charge, customer deposit, as well as it rules and regulations of service, consistent with Staff's recommendations.

(4) The Company shall file by October 1, 1996, with the Commission's Division of Energy Regulation a revised tariff incorporating the above referenced modifications.

(5) This matter be, and hereby is, dismissed from the Commission's docket of active cases and the papers placed in the file for ended causes.

CASE NO. PUE950088
SEPTEMBER 5, 1996

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

To amend its Certificate of Public Convenience and Necessity authorizing operation of transmission lines and facilities in Goochland County: 230 kV Transmission Line from Oilville-Short Pump 230 kV Transmission Line to Motorola Substation

ORDER GRANTING APPLICATION

Before the Commission is Virginia Electric and Power Company's ("Virginia Power" or "Company") application to amend its certificate of public convenience and necessity to permit the construction and operation of a 230 kV transmission line in Goochland County from a point on its North Pole-Oilville-Short Pump 230 kV transmission line to a new Motorola Substation in the West Creek development property in Goochland County. As modified herein, we grant the application with certain conditions for approval.

Procedural History

On September 11, 1995, Virginia Power filed an application to amend its certificate of public convenience and necessity authorizing the construction and operation of transmission lines and facilities in Goochland County. Virginia Power sought the Commission's approval to construct and

operate a double-circuit 230 kV transmission line from a point on its North Pole-Oilville-Short Pump 230 kV transmission line to a new Motorola Substation. By order dated October 6, 1995, the Commission assigned this matter to a Hearing Examiner; directed Virginia Power to provide public notice of its application; established a procedural schedule; and set the matter for a public hearing on January 18, 1996. The procedural schedule was modified by Hearing Examiner Rulings dated November 29, December 19, and December 28, 1995. A number of protests were filed.

On January 2, 1996, Protestants Fox Hall Homeowners Association, Inc., Millhaven at the Colonies Homeowners Association, Inc., The Colonies at Wilde Lake Association, Inc., and Gayton Station Homeowners Association, Inc. moved that the Commission order Virginia Power to publish additional notice indicating that the Commission would also consider a route paralleling Route 288. Following oral argument on January 22, 1996, the Hearing Examiner granted the Protestants' motion in a Ruling dated January 23, 1996.

The Examiner made several inspections of the proposed route and the alternatives. In addition, the Examiner visited the Protestants' neighborhoods to assess the possible visual impact of the routes.

Forty-nine public witnesses testified at public hearings held on January 18, February 5, and March 5, 1996. An evidentiary hearing was held on five non-consecutive days between March 5 and March 14, 1996. Closing arguments were heard on March 18, 1996. Counsel appearing were Guy T. Tripp, III for Virginia Power; William S. Bilenky for Protestant homeowner associations; Edward L. Flippen and Edward B. Kidd for Intervener NCNB Real Estate Fund ("NCNB"); Protestant David W. Drash for himself; James F. Pascal for Protestant David Coldren; and Wayne N. Smith and Amy L. Sheridan for the Commission Staff.

In its application, Virginia Power proposed a route from the proposed substation to a point on the North Pole-Oilville-Short Pump right-of-way north of U.S. I-64. Through West Creek, the route largely parallels and abuts wetlands along Tuckahoe and Little Tuckahoe Creeks. Virginia Power's position is that the only issue in the proceeding is whether the Company's proposed transmission line route reasonably minimizes adverse environmental impact. The Company notes that no owner of property through which the Company's proposed route passes filed a protest, and there are no homes within 500 feet of the Company's proposed route.[1] Further, Virginia Power contends that the Company's proposed route minimizes impact on land uses by following the wetlands that constitute a large portion of the eastern boundary of West Creek, owned by NCNB, through which the majority of the line will traverse.

On rebuttal, the Company identified the "Green Route" alternative, which moves a portion of the right-of-way in West Creek further west of the wetlands to provide more visual screening. Further, the Company proposed to use 70-foot 3-pole H-frame structures on the Green Route in the areas behind the Protestants' subdivisions, rather than the 105-foot single-shaft poles originally proposed. The Green Route alternative runs from West Creek Parkway to U.S. 250 (Broad Street) and is a variation of the original routing through West Creek, which was identified at the hearings as the "Red Route." The Company maintained that its original routing was acceptable, but it identified the Green Route alternative for the Commission's consideration.

The Protestants support a route that parallels the east side of proposed Route 288, a limited access highway that will pass through West Creek several thousand feet west of the Protestants' subdivisions. The Protestants assert that there is no guarantee that the existing buffer between the Company's proposed route and their subdivisions will be maintained. As an alternative, the Protestants support a route which uses portions of the Green Route and then turns west through West Creek to follow a branch of Tuckahoe Creek ("Big Tuckahoe Route").

Intervener NCNB, the owner of West Creek, supports the Company's original route instead of the Green Route alternative and strongly opposes the Protestants' proposed route paralleling Route 288. NCNB asserts that paralleling Route 288 would harm Virginia Power ratepayers and West Creek by requiring them to pay additional costs with no corresponding benefit.

On April 10, 1996, the Examiner issued his Report. The Report finds that there is a need for the proposed 230 kV transmission line and Motorola Substation; the public convenience and necessity require the construction of the line; the Company's proposed route, as modified by the Green Route, with the mitigation measures proposed by the Company and the Hearing Examiner, will reasonably minimize adverse impacts on the environment; the probable effect of the transmission line on the health and safety of the persons in the area has been considered; and existing rights-of-way cannot adequately serve the identified need.

On April 25, 1996, the Protestants filed exceptions to the Examiner's Report. Virginia Power and NCNB filed comments to the Examiner's Report. On the same day, the Protestants requested oral argument on the exceptions and comments. On July 24, 1996, the Commission heard oral argument on this matter. In addition, the Commission made an inspection of the proposed route and the alternatives. The Commission also inspected the Protestant homeowners' subdivisions to assess the visual impact of the routes.

Need for the Project

As stated in the Examiner's Report, there is no question as to the need for the proposed transmission line. Motorola is building a large semiconductor manufacturing plant at West Creek in Goochland County. This plant will have an estimated electrical load of 78.5 MVA upon full development. As a result of the Motorola plant and the future development of West Creek, the load growth in that area will be substantial. The existing 34.5 kV distribution circuits at West Creek can serve only an additional 19 MVA load, assuming there is no other load growth along the circuits. Thus, the need for additional transmission capacity has been shown.

Approval of a Route for the Transmission Line

After considering the record developed at the evidentiary hearings, the Hearing Examiner's Report, comments on the Report, oral argument, and our personal inspection of the various routes and neighborhoods, the Commission will adopt Examiner Anderson's recommendation to approve the Company's proposed route, as modified with the Green Route from West Creek Parkway to Broad Street, for the transmission line. The Commission will also establish mitigation measures as conditions for approval as provided by Va. Code Section 56-46.1.

As previously discussed, the record establishes the need for the proposed 230 kV transmission line which will first serve the Motorola plant and will later serve any additional development in West Creek and surrounding areas.

[1] Protestants are homeowners whose properties are outside and several hundred feet to the east of the proposed route, or associations of such homeowners.

The record also supports the use of new right-of-way connecting with the previously approved right-of-way for the North Pole-Oilville-Short Pump 230 kV transmission line.

Identifying the proper route between the Oilville-Short Pump right-of-way and the Motorola plant became the focus of this proceeding. The parties concentrated on the routing through the northern portion of West Creek. The Protestants did not identify any objections to the routing proposed by Virginia Power through the southern portion of West Creek into the Motorola site where the new substation will be constructed. Likewise, there was little controversy over the routing north of U.S. Route 250 (Broad Street).

As discussed in detail by Examiner Anderson, four possible routings generally from West Creek Parkway to Broad Street were put forward. Virginia Power proposed in its application a route generally paralleling Tuckahoe Creek and Little Tuckahoe Creek and identified as the Red Route. In response to concerns raised by Protestants, Virginia Power subsequently proposed an alternative routing north of West Creek Parkway that generally deviated to the west through West Creek, to provide more screening. This alternative is identified as the Green Route. The Protestants advocated a route generally parallel to the Virginia Department of Transportation right-of-way for Route 288. Finally, the Protestants proposed an alternative, identified as the Big Tuckahoe Route, which would use portions of Virginia Power's Green Route and then turn to the west through West Creek.

As required by Va. Code Section 56-46.1, the Commission must consider adverse impacts of proposed lines, including impact on health. The Commission adopts Examiner Anderson's finding that the Green Route poses no established health risks from magnetic fields. The proposed transmission line along the route initially proposed by the Company would be a significant distance from any homes. The Green Route, which the Commission is approving, places the line even further from most of the homes. The magnetic fields created by the proposed transmission line along either the Green or Red Routes appear to be negligible at these distances.

As in most cases involving transmission line routing, the Commission is called upon to assess the impacts on different areas and to balance competing interests, to the extent possible. This balancing may also incorporate mitigation measures such as those we adopt here.

The Commission must also consider adverse environmental impact from the proposed lines and measures to mitigate any damage. At the request of the Commission Staff, the Virginia Department of Environmental Quality coordinated a review by Virginia state environmental agencies of the application for the original route. The report on this review was included with Staff testimony and exhibits filed in this proceeding. These agencies identified no adverse environmental impact that would cause the Commission to disapprove a routing in the vicinity of Tuckahoe Creek. The agencies noted that there would, of course, be impacts from construction, but adverse consequences could be avoided or reduced through appropriate construction techniques.

The Protestants and many public witnesses in this proceeding expressed great concern about the visual impact of the proposed line, even if it were constructed using the Green Route. The record, as confirmed by the Commission's personal inspection, shows that, while the right-of-way for the original route or the Green Route alternative would not be on or adjacent to any of the Protestants' property, the line would be visible from a number of homes that now have a view of undeveloped wetlands and woodlands. There are no homes in the Protestants' subdivisions within 600 feet of the proposed line.[2] The record also establishes, again as confirmed by our inspection, that there are significant trees and other vegetation that will screen the supporting structures and conductors on the Green Route for much, if not most, of the year from many homes.

A routing along Route 288 favored by the Protestants or, in the alternative, the Big Tuckahoe Route, would bring the line through other portions of West Creek. These routings would affect current and future owners of property in that development. The parties agree that the Virginia Department of Transportation opposes placing the transmission line on the right-of-way necessary for Route 288. Further, a Route 288 routing would require use of a significant amount of real estate that the West Creek developer considers the most valuable.

Regardless of which routing is selected, West Creek will bear the impact of providing a significant portion of the new right-of-way. The Protestants will not lose any use of their land. Some residents may have a view of portions of the line, which may be mitigated as discussed below.

Our inspection has led us to conclude that, with the mitigation conditions established herein, adverse visual impact of the line can be minimized. There are trees and other vegetation located within the subdivisions and between the subdivisions and the wetlands bordering Tuckahoe Creek and Little Tuckahoe Creek.[3] Also, there are trees and vegetation within the designated wetlands on the east and west sides of the creeks. Federal and state law protect the vegetation in these wetland areas. Another band of vegetation and trees is in the area of West Creek between the designated wetlands on the west side of Tuckahoe Creek and Little Tuckahoe Creek and the eastern edge of Virginia Power's right-of-way for the Green Route. The Commission believes that these successive screens along with the mitigation measures we adopt below for the right-of-way will substantially reduce the visual impact of the line. At the same time, the impact of the transmission line on the development of West Creek will be minimized.

Section 56-46.1 of the Code of Virginia provides, in part, that:

> Whenever the Commission is required to approve construction of any electrical utility facility, it shall 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.

Based upon the record before us, the Commission finds that a number of mitigation measures should be established as conditions of approval.

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[2] The Division of Energy Regulation's Guidelines of Minimum Requirements for Transmission Line Applications ask a utility to provide the number of residences within 500 feet of a proposed transmission line. Only five homes are located between 601 and 700 feet from the proposed line, and only five more homes are located between 701 and 800 feet of the proposed line.

[3] Homeowner associations, individual homeowners, and developers can take steps to preserve existing vegetation and trees and to augment this screening as new homes are built and landscaping is developed for existing homes.

Virginia Power has already identified several mitigation measures for its Green Route. The Company has proposed using three-pole supporting structures and non-reflecting conductors on a portion of the route to reduce the visual impact. The Commission will adopt these proposed mitigation measures as conditions of approval.

The Commission understands from the application and testimony offered by Virginia Power at the hearings that the Company will secure all necessary state, federal, and local environmental approvals for the transmission line and will follow appropriate practices for construction and maintenance of the line. We expect Virginia Power to cooperate fully with environmental agencies and to incorporate into its construction, operation, and maintenance of this line all conditions and requirements which these agencies may establish.

Virginia Power's own evidence shows that the placement of supporting structures can have substantial visual impact. Therefore, the Commission establishes as a condition of approval the requirement that Virginia Power consult with the Commission's Division of Energy Regulation on the placement of supporting structures south of U.S. Route 250 (Broad Street). The Commission directs the Company to place supporting structures at locations which will take advantage of topography and vegetative screening to reduce visibility when such placement is compatible with accepted engineering standards and construction practices which limit environmental damage. The Company will advise the Division when locations for supporting structures have been identified, and the Division will conduct appropriate reviews and inspections of these locations before construction of supporting structures commences.

The Commission has determined that another measure is necessary to minimize visual impact on the northern portion of the Green Route. As the record and the Commission's personal inspection show, there is screening between homes located in the Protestants' neighborhood and the Green Route. To preserve the existing screen and to promote development of additional screening, the Commission will require, as a condition for approval of this line, Virginia Power to provide for permanent preservation of a vegetative and tree screen from the eastern edge of the right-of-way acquired for the Green Route to the wetlands boundary west of Little Tuckahoe Creek. The wetlands boundary on the west side of the creek is generally shown on exhibits. The boundary can be more precisely identified, if necessary, from other maps or from field study. The northern end of this buffer zone shall be the point at which the Green Route enters the existing wooded area, approximately 1,000 feet south of U.S. Route 250 (Broad Street). The buffer zone will continue south to the point on the Green Route where it rejoins the original proposed route (the Red Route as shown on Exhibit 49), approximately 400 feet south of the beaver dam currently on Little Tuckahoe Creek.

The establishment of the buffer zone must assure permanent and legally enforceable protection of vegetation, including trees, so that natural processes will continue in this buffer zone with minimal interruption. The protection of natural processes should not, however, preclude the introduction of other appropriate species. For example, this buffer zone could be a location for reintroducing native plants. Likewise, after proper analysis, additional trees might be planted to improve the habitat. While the Commission expects the buffer zone to remain permanently, it is not the Commission's intention to foreclose compatible uses. For example, the buffer zone could be used for walking trails and other recreational purposes that are compatible with preservation of the screening.

The Commission will leave to Virginia Power the responsibility for establishing this buffer zone. Possibilities include, but are not limited to, acquisition of scenic easements or ownership of the property. The Company could hold these property rights or convey them at some time to another party that would comply with the conditions the Commission has established. As another possibility, Virginia Power could finance the purchase of property rights by a third party that would maintain the property in accordance with the established conditions.

The Commission recognizes that establishing this buffer zone will increase the project's costs, but the additional expense is warranted under the circumstances of this case. We have examined the maps, records, and cost estimates, and it does not appear that acquiring property rights for the buffer zone should add excessively to the overall cost.

The West Creek developer has committed to maintaining significant open spaces and other undeveloped areas in the project. The Commission hopes that the West Creek developer will cooperate with Virginia Power in establishing this buffer zone and will consider incorporating it into its plan for open spaces and undeveloped areas.

The Commission recognizes that it will take Virginia Power a reasonable period to implement this condition. Accordingly, we direct Virginia Power to advise the Commission's Division of Energy Regulation periodically on its progress in establishing the buffer zone. Virginia Power shall make its first report on January 15, 1997, and make subsequent reports at three-month intervals. The Director of the Division may modify the reporting schedule after the first filing is made.

As another condition for approval, the Commission will require Virginia Power to cooperate with the West Creek developer and local authorities in locating the sewer system which will serve the development. While a plan for the sewer system is not in the record, testimony establishes that a sewer line will be constructed in the vicinity of the creeks. We will condition approval of routing on the Company's cooperating to the greatest extent possible in locating any sewer lines within the transmission line right-of-way. We recognize that Virginia Power must impose reasonable conditions on construction and maintenance of any sewer lines within the right-of-way to assure compatibility with the construction, operation, and maintenance of the high-voltage line. It is the Commission's hope that the sewer line will share the transmission line right-of-way to avoid additional cutting of trees and vegetation east of the transmission line right-of-way. We will direct Virginia Power to advise the Commission's Division of Energy Regulation on any negotiations and final agreement on the placement of sewer lines in the right-of-way.

Conclusion

Based upon the record before us, the Commission finds that Virginia Power has established a need for the proposed 230 kV transmission line and substation. There is a clearly established need for additional transmission facilities to serve the proposed Motorola plant and West Creek, and meeting this need by a double circuit 230 kV transmission line is the most efficient means of assuring reliable service to this important economic development. The Commission acknowledges that constructing the line along new right-of-way may have adverse environmental impact, and we have established mitigation measures to minimize the adverse environmental impact as conditions of our approval.

ACCORDINGLY, IT IS ORDERED THAT:

(1) Virginia Power's application for a certificate of public convenience and necessity is granted, as modified and conditioned herein.

(2) Virginia Power is authorized to construct and operate a double-circuit 230 kV transmission line from a point on its North Pole-Oilville-Short Pump transmission line right-of-way to its Motorola Substation and to construct and operate the Motorola Substation, all as shown in its application and as modified and conditioned herein.

(3) Forthwith upon receipt of this Order, Virginia Power shall file amended maps showing the route of the transmission line as approved herein so that an appropriate certificate of public convenience and necessity may be issued.

(4) This matter is dismissed from the docket and the papers herein shall be transferred to the files for ended proceedings.

CASE NO. PUE950089
NOVEMBER 12, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of reviewing and considering Commission policy regarding restructuring of and competition in the electric utility industry

ORDER

By Order entered September 18, 1995, in this proceeding, the Commission directed the Staff to continue and expand its investigation of current issues related to potential restructuring in the electric industry and to file a report on its observations and recommendations. All investor-owned electric utilities and electric cooperatives were made parties to the proceeding and directed to respond to the Staff's requests for information. Interested parties were invited to file written comments and requests for oral argument in response to the Staff Report.

The Staff filed its report on July 31, 1996. Comments have been received from a number of parties, filed both before and after filing of the Staff Report, and several parties requested oral argument. However, as the Staff Report constitutes only the initial stage of what will be an extended evolutionary process, and the scope of the issues addressed herein is limited, oral argument is premature at this time.

We believe that significantly more evaluation is necessary to determine what, if any, restructuring may best serve the public interest in Virginia. To facilitate such evaluation, Staff made various recommendations that will require consideration of utility-specific data relevant to potential changes in the electric industry.

Accordingly, we are establishing by separate orders new dockets directing certain investor-owned electric utilities to provide information relevant to Recommendations Nos. 1, 2, 3, 4, 6 and 13 of the Staff Report. The requested information and analyses address: cost-of-service studies; illustrative tariffs reflecting unbundled rates for generation, transmission and distribution functions; means of improving price signals to customers; determining reserve margins, future incremental capacity needs and capacity solicitation processes; and conservation and load management programs. In addition, all investor-owned utilities were directed to file with the Commission copies of any filings made with federal or other state regulatory bodies that relate to any of the recommendations in the Staff Report or to alternative forms of regulation.

Although we are not instituting separate proceedings for electric cooperatives at this time, similar proceedings may be required of cooperatives in the future. Moreover, any cooperative proposing an alternative form of regulation should be prepared to address the Staff recommendations outlined above.

In addition to the data to be filed by certain companies in the above-referenced proceedings, all investor-owned electric utilities and cooperatives that have non-utility generation that impacts their Virginia jurisdictional rates are directed to file, by June 1, 1997, a report detailing their efforts to restructure contracts with non-utility generators ("NUGs") to mitigate their potentially negative effect on current and future rates. Each utility shall also subsequently file quarterly reports detailing its continuing efforts in this area.

Staff recommendations also stated the need for monitoring certain aspects of the electric industry to better assess particular restructuring and competition issues. Areas identified by Staff warranting closer inspection include developments in the wholesale power market, retail wheeling experiments of other states and electric utility service quality.

We believe that the information derived from monitoring such activities will be valuable in considering possible restructuring alternatives. Staff, therefore, is directed to monitor developments in the wholesale power market and evaluate wholesale competition and its impact and potential impact on Virginia's utilities. Staff shall file a report of its findings by June 1, 1997, and shall file reports thereafter as necessary.

Staff is further directed to prepare a report by September 1, 1997, on the results of retail wheeling experiments and activities in other states. Staff shall make appropriate recommendations based upon its study.

Also, Staff shall report by July 1, 1997, on whether, and if so, how to increase monitoring of electric utility service quality. Staff's recommendations should address whether the Commission should establish service quality standards.

Accordingly, IT IS ORDERED THAT:

(1) On or before June 1, 1997, each investor-owned electric utility and electric cooperative that has non-utility generation that impacts its Virginia jurisdictional rates shall file a report on its efforts to renegotiate its NUG contracts as appropriate and shall thereafter file similar reports quarterly;

(2) The Commission Staff shall continue to monitor developments in the wholesale power market and file a report as outlined above on or before June 1, 1997. Staff shall file reports thereafter as necessary;

(3) On or before September 1, 1997, Staff shall file a report on the retail wheeling experiments of other states and make appropriate recommendations;

(4) On or before July 1, 1997, Staff shall file a report recommending whether, and if so, how to increase monitoring of electric utility service quality; and

(5) This matter shall be continued generally until further order of the Commission.

CASE NO. PUE950092
FEBRUARY 14, 1996

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

ORDER OF SETTLEMENT

The Natural Gas Pipeline Safety Act, 49 USC § 60101 et seq. ("Act"), requires the Secretary of Transportation ("Secretary") to establish minimum federal safety standards for the transportation of gas and pipeline facilities. The Secretary is further authorized to delegate that authority to prescribe safety standards and enforce compliance with such standards over gas pipeline facilities used for intrastate transportation to an appropriate state agency.

The Virginia State Corporation Commission ("Commission") has been designated as the appropriate state agency for the Commonwealth of Virginia. In Case No. PUE890052, the Commission adopted Parts 191, 192, 193, and 199 of Title 49 of the Code of Federal Regulations to serve as minimum gas pipeline safety standards ("Safety Standards") in Virginia. The Commission is authorized to enforce the Safety Standards under Va. Code Ann. § 56-5.1 (1993 Cum. Supp.), which allows the Commission to impose fines and penalties not in excess of those specified by § 60122(a)(1) of the Act.

The Commission's Division of Energy Regulation ("Division"), charged with investigation of each jurisdictional company's compliance with the Safety Standards, has conducted an investigation of Commonwealth Gas Services, Inc. ("CGS" or "Company"), the Defendant, and alleges:

(1) That CGS is a public service corporation as that term is defined in Va. Code Ann. § 56-1 (1986 Repl. Vol.) and, specifically a natural gas company within the meaning of Va. Code Ann. § 56-5.1 (1993 Cum. Supp.); and

(2) That between June 3, 1994 and August 9, 1995, probable violations of various subparts of 49 C.F.R. § 192 by CGS were investigated by the Division, and CGS has made a good faith effort to address same, and therefore, the Division recommends to the Commission that no fines or penalties be levied against CGS in regard to the following alleged conduct:

(a) Failing on one occasion to equip a distribution system with a recording pressure gauge to indicate a gas pressure in the district.

(b) Operating a certain system above that system's established maximum allowable operating pressure (MAOP) ;

(c) Failing on certain occasions to follow Company's procedures.

(3) That during the same time period, the following additional probable violations of subparts of 49 C.F.R. § 192 occurred for which the Division would recommend that a fine be levied against CGS :

(a) Failing to test segments of pipeline in accordance with Part 192;

(b) Failing on certain occasions to follow Company procedures; and

(c) Failing on one occasion to provide proper pressure relieving or pressure limiting devices.

The Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order. As an offer to settle all matters arising from the allegations made against it, CGS represents and undertakes that:

(1) The Company will pay a fine to the Commonwealth of Virginia in the amount of $17,000 to be paid contemporaneously with the entry of this Order. This payment will be made by check, payable to the Treasure of Virginia, and directed to the attention of the Director of the Division of Energy Regulation;

(2) Pursuant to Va. Code Ann. 12.1-15 (1993 Repl. Vol.), the Company will also pay contemporaneously with the entry of this Order the sum of $1,194.70 to defray the cost of undertaking this investigation. This payment will also be made by check, payable to the Treasurer of the Commonwealth of Virginia and directed to the attention of the Director of the Division of Energy Regulation;

(3) Any fines and costs of the investigation paid in accordance with this Order shall not be recovered in the Company's rates as part of the cost of service. Any such fines and costs shall be booked in Uniform System of Account No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Commission's Division of Public Utility Accounting.

The Commission being fully advised in the premises and finding sufficient basis herein for the entry of this Order, and in reliance on the Defendant's representations and undertakings set forth above, is of the opinion and finds that CGS has made a good faith effort to cooperate with the Staff during the investigation of this matter, and therefore, the offer of compromise and settlement should be accepted. Accordingly,

IT IS ORDERED:

(1) That pursuant to the authority granted the Commission by Va. Code Ann. § 12.1-15 (1993 Repl. Vol.), the offer to compromise and settle made by CGS be, and it hereby is, accepted;

(2) That pursuant to Va. Code Ann. § 56-5.1 (1993 Cum. Supp.), CGS be and it hereby is, fined in the amount of $17,000;

(3) That the sum of $17,000 tendered contemporaneously with the entry of this Order is accepted;

(4) That pursuant to § 12.1-15, CGS' payment of the sum of $1,194.70 to defray the costs of this investigation is hereby accepted;

(5) That this case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE950099
JANUARY 17, 1996

NOTIFICATION OF
EQUITABLE RESOURCES ENERGY COMPANY

To furnish gas service pursuant to Virginia Code § 56-265.4:5

ORDER DISMISSING PROCEEDING

On September 28, 1995, Equitable Resources Energy Company ("EREC" or "the Company") notified the State Corporation Commission ("Commission") pursuant to Virginia Code § 56-265.4:5 of its plans to furnish a supplemental supply of natural gas to Buster Brown Apparel, Inc. ("Buster Brown"), a clothing factory located in the Wise County Industrial Park in Esserville, Wise County, Virginia. On October 16, 1995, EREC filed information supplementing its notification.

On November 7, 1995, the Commission entered an Order docketing the proceeding, notifying all public utilities providing gas service in the Commonwealth of the Company's plans to furnish gas service, and advising these utilities that within sixty days of the entry of that Order, they could file an application with the Commission to provide natural gas service within the area identified in the Company's notification documents. In the Order, the Commission found that Buster Brown's facilities were not within an area for which a certificate of public convenience and necessity had been granted, and that as of the time of the Commission's receipt of the notice provided for by Virginia Code § 56-265.4:5, these facilities were not located within an area served by a municipal corporation that provided gas distribution service as of January 1, 1992.

Sixty days have now lapsed since the entry of the November 7, 1995 Order, and no jurisdictional public utility has filed an application to provide natural gas service within the area identified in the captioned notification.

NOW THE COMMISSION, upon consideration of the foregoing, is of the opinion and finds that the Company has satisfied the requirements of Virginia Code §§ 56-265.1(b)(4) and -265.4:5, and that nothing further remains to be done in this case.

Accordingly, IT IS ORDERED that this matter shall be dismissed from the Commission's docket of active proceedings, and the papers herein made a part of the Commission's files for ended causes.

CASE NO. PUE950100
JANUARY 17, 1996

NOTIFICATION OF
AMVEST OIL AND GAS, INC.

To furnish gas service pursuant to Virginia Code § 56-265.4:5

ORDER DISMISSING PROCEEDING

On September 29, 1995, AMVEST Oil and Gas, Inc. ("AMVEST" or "the Company") notified the State Corporation Commission ("Commission"), pursuant to Virginia Code § 56-265.4:5 of its plan to furnish gas service to Buster Brown Apparel, Inc. ("Buster Brown") in the Wise County Industrial Park in Esserville, Wise County, Virginia. On October 18, 1995, AMVEST filed information supplementing its notification.

On November 7, 1995, the Commission entered an Order docketing the proceeding, notifying all public utilities providing gas service in the Commonwealth of AMVEST's plans to furnish gas service, and advising these utilities that within 60 days of the entry of this Order they could file an

application with the Commission to provide natural gas service within the area identified in the Company's notification documents. In the Order, the Commission also found that the Buster Brown facilities were not within an area for which a certificate of public convenience and necessity had been granted, and as of the time of the Commission's receipt of the notice provided for by Virginia Code § 56-265.4:5, these facilities were not located within an area served by a municipal corporation that provided gas distribution service as of January 1, 1992.

Sixty days have now lapsed since the entry of the November 7, 1995 Order, and no jurisdictional public utility has filed an application to provide natural gas service within the area identified in the captioned notification.

NOW THE COMMISSION, upon consideration of the foregoing, is of the opinion and finds that the Company has satisfied the requirements of Virginia Code §§ 56-265.1(b)(4) and -265.4:5, and that there being nothing further to be done, this matter should be dismissed. Accordingly, IT IS ORDERED THAT:

(1) This matter shall be dismissed from the Commission's docket of active proceedings.

(2) The papers filed herein be made a part of the Commission's file for ended causes.

CASE NO. PUE950112
JANUARY 10, 1995

APPLICATION OF
COMMONWEALTH GAS SERVICES, INC.

For approval of a natural gas cooling DSM pilot program

ORDER GRANTING WITHDRAWAL

On December 11, 1995, Commonwealth Gas Services, Inc. ("Commonwealth") filed a motion to withdraw its application for approval of a demand side management pilot program. In support of its motion, Commonwealth asserted that no party will be harmed in any way due to the withdrawal of its application.

On December 15, 1995, the Commission Staff filed its reply stating that it does not oppose the motion.

NOW THE COMMISSION, upon consideration of the foregoing, is of the opinion and finds that Commonwealth's motion should be granted. Accordingly,

IT IS ORDERED THAT:

(1) The captioned application is hereby withdrawn without prejudice.

(2) This matter shall be dismissed from the Commission's docket of active proceedings, and the papers filed herein be made a part of the Commission's file for ended causes.

CASE NO. PUE950113
MARCH 5, 1996

APPLICATION OF
SHENANDOAH GAS COMPANY

For approval of a Natural Gas Vehicle Service tariff and related tariff changes

FINAL ORDER

On November 2, 1995, Shenandoah Gas Company ("Shenandoah" or "the Company") filed an application with the State Corporation Commission ("Commission"). In its application, the Company requested approval of its Developmental Natural Gas Vehicle Service - Rate Schedule F, and related revisions to its tariffs. Shenandoah's application proposed that its new Rate Schedule would govern sales of compressed natural gas at Company-owned fueling stations for natural gas vehicles ("NGV"), the sales of gas to customer-owned fueling stations, and the delivery of customer-owned natural gas to be used solely as a fuel for motor vehicles. Shenandoah also proposed to make its delivery service for NGVs available under the same rates, terms, and conditions set out in Rate Schedule E, Interruptible Delivery Service, except the minimum volume, balancing, and interruption requirements in Rate Schedule E would not apply to deliveries made under Schedule F. The Company further requested authority to delete the reference to sales of natural gas for use as a motor fuel from Rate Schedule D - Special Purchase Service because that service would now be provided under Rate Schedule F.

In its November 20, 1995 Order, the Commission docketed the matter, allowed Shenandoah's tariff revisions to take effect on an interim basis subject to refund for service rendered on and after December 4, 1995, directed the Company to give the public notice of its application, and established a procedural schedule for the Company, Staff, and interested parties.

On January 4, 1996, the Company filed its proof of publication of the notice prescribed by the November 20, 1995 Order. No comments or requests for hearing were filed.

On February 13, 1996, the Staff filed its Report in this matter. In its Report, the Staff recommended that the Commission approve Shenandoah's application with the following modifications: (i) the monthly facilities charge in Schedule F should be modified to reflect the return approved by the Commission in any final order entered in Shenandoah's pending rate proceeding, Case No. PUE950058; and (ii) consistent with the Commission's January 10, 1977, Order in Case No. 19589, the late payment provision found in Schedule F should expressly provide that late payment charges should not apply to any taxes billed by the utility on behalf of a local government. The Staff further recommended that the Company be directed to file an application with the Commission if it desired to revise the benchmark fuel prices set out in Schedule F.

On February 23, 1996, the Company, by counsel, advised that it concurred with the recommendations made in the Staff Report.

WHEREFORE, upon consideration of the Company's application, the Staff's Report, and applicable statutes, the Commission is of the opinion and finds that the Company's application, as modified by the recommendations set out in the Staff's February 13, 1996 Report, is reasonable and should be granted; that the Company's proposed Schedule F, revised to incorporate the modifications set out in the Staff's February 13, 1996 Report should be allowed to become effective on a permanent basis for service rendered on and after December 4, 1995; that the associated revisions proposed by Shenandoah to Rate Schedules D and E should be approved, effective for service rendered on and after December 4, 1995; and that this matter should be dismissed.

Accordingly, IT IS ORDERED THAT:

(1) The Company shall forthwith file revised tariffs which are consistent with the findings made herein, to be effective for service rendered on or after December 4, 1995.

(2) Shenandoah shall file an application with the Commission in the event the Company desires to revise its benchmark fuel price set out in Rate Schedule F.

(3) There being nothing further to be done herein, this matter shall be dismissed and the papers filed herein made a part of the Commission's file for ended causes.

CASE NO. PUE950120
JANUARY 5, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
CARMA L. WRIGHT, et al.
v.
SANVILLE UTILITIES CORPORATION

DISMISSAL ORDER

By notice dated October 13, 1995, Sanville Utilities Corporation ("the Company") notified its customers and the Commission's Division of Energy Regulation ("the Division") of its intent to change its rates and rules and regulations of service pursuant to the Small Water or Sewer Public Utility Act (Va. Code § 56-265.13:1 et seq.). Such change was to be effective for sewer service rendered on and after December 1, 1995.

On November 27, 1995, the Division received a petition requesting a hearing from approximately 41 percent of the Company's customers. By order entered on November 30, 1995, the Commission docketed the matter, suspended the Company's rates for a period of sixty (60) days or through January 29, 1996, and declared such rates interim and subject to refund following that period of suspension.

In a letter dated December 4, 1995, the Company notified the Division of its request to withdraw its proposed rate increase.

NOW THE COMMISSION, having considered the matter, is of the opinion that this proceeding should be dismissed from the Commission's docket of active cases. Accordingly,

IT IS ORDERED THAT this matter is, and shall be, dismissed from the Commission's docket of active cases and the papers placed in the file for ended causes.

CASE NO. PUE950121
FEBRUARY 6, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
UNITED MINE WORKERS OF AMERICA,
Complainant,
v.
VIRGINIA ELECTRIC AND POWER COMPANY,
Defendant.

ORDER GRANTING MOTION TO DISMISS AND DENYING REQUEST FOR ORAL ARGUMENT

On December 5, 1995, the United Mine Workers of America ("UMWA" or "Union") filed a Petition, pursuant to Rule 5:15 of the Commission's Rules of Practice and Procedure, requesting a "formal review of and hearing by the Commission" on the decision of Virginia Electric and

Power Company ("Virginia Power" or "Company") to reject from further consideration a proposed contract for the provision of fuel to the Company's generating station at Mt. Storm, West Virginia. The contract in question was purportedly offered to the Company by Consolidation Coal. Virginia Power reportedly rejected this contract in favor of a contract offered to it by MAPCO Coal.

Pursuant to order previously entered, Virginia Power filed a response to the Petition, in the form of a Motion to Dismiss, on December 22, 1995. The UMWA filed a response to this motion on January 4, 1996, and Virginia Power filed a reply to the Union's response on January 18, 1996. Also on January 18, the Union filed a Request for Oral Argument, which, it asserted, "would assist the Commission in developing the parties' position relative to the Commission's jurisdictional authority."

Virginia Power's Motion to Dismiss offered three grounds upon which the Commission should dismiss the proceeding. First, the Company contended the Commission was without jurisdictional authority to undertake the investigation requested by the UMWA. Next, it argued that the UMWA was without standing to call for the initiation of the requested investigation. Finally, it asserted that the Petition did not comply with the requirements of Rule 5:15.

In its response, the Union maintained that the Commission did have the requisite authority to investigate the contract, citing the Commission's investigation of the coal transportation contracts between Virginia Power and CSX Transportation undertaken in Case Nos. PUE940040 and PUE940051 and various statutory authorities relevant to the Commission's oversight of fuel purchasing. The UMWA further argued that because it was "affected" by agency action it had standing to bring its Petition. Finally, the response also sets out at some length the items viewed by the Union as deficiencies in Virginia Power's decision to award the coal contract to MAPCO, rather than to Consolidation.[1]

NOW THE COMMISSION, having considered the pleadings of record, as well as the applicable statutes and rules, is of the opinion and finds that the Motion to Dismiss, filed by Virginia Power, should be granted and the Request for Oral Argument, filed by the Union, should be denied.

The pleadings presented by the parties raise two fundamental, preliminary questions. First, does the Commission have the jurisdiction to conduct a formal proceeding to deal with the issues raised by the Petition? On this point the Commission finds persuasive the precedents cited and arguments offered by the UMWA. The Commission finds that it clearly does have jurisdiction to deal with the subject matter of the complaint. Section 56-35 of the Code of Virginia ("Code") conveys to the Commission "the power . . . and the duty, of supervising, regulating and controlling all public service companies doing business in this Commonwealth, in all matters relating to the performance of their public duties . . . and of correcting abuses therein by such companies." In support of this duty, Code § 56-36 grants the Commission the "right at all times to inspect the books, papers and documents of all public service companies doing business in this Commonwealth, and to require from such companies, from time to time, special reports and statements, under oath, concerning their business." Finally, Code § 56-248.1 specifically requires the Commission to "monitor all fuel purchases, transportation costs, and contracts for such purchases of a utility to ascertain that all feasible economies are being utilized." The Commission agrees with the UMWA's contention that these authorities do "not require the Commission to wait until the ratepayers have incurred unreasonable expenses before it may act."

The Commission relied upon the cited authorities in undertaking the investigations noted in Cases PUE940040 and PUE940051, and Virginia Power's pleadings herein have wholly failed to distinguish those cases from the instant case, insofar as the matter of the Commission's authority and jurisdiction is concerned. In those cases, the Commission's authority to investigate was not questioned by, and indeed was invoked by, the Company. There should be no doubt that in matters of fuel procurement and transportation, the Commission may, upon proper complaint or upon its own motion, investigate and correct abuses therein. The Commission, finding that it has jurisdiction, deems it unnecessary to hear oral argument on this point. Therefore, the UMWA's Request for Oral Argument will be denied.

The second fundamental, preliminary question that must be addressed is whether, given the Commission's jurisdiction, the Petitioner can as a matter of right initiate a formal proceeding under Rule 5:15(b). On this point, the Commission finds that the UMWA is without standing to bring such an action and is not in compliance with the Rule. Rule 5:15(b) states that "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." Code § 56-6 conveys "the right to make complaint" upon any "person or corporation aggrieved" by action or inaction of the utility.[2] The Commission finds that a "party complainant" under Rule 5:15(b) must be a "party aggrieved" in order to bring proper complaint under this rule.[3] Rule 5:15(b) was not intended to, and does not, allow persons other than aggrieved parties to initiate, as a matter of right, formal proceedings by way of complaint. The Commission finds that the UMWA is not an "aggrieved party" and thus cannot proceed under Rule 5:15(b).

Our Supreme Court, in Virginia Association of Insurance Agents v. Commonwealth, 201 Va. 249, 253; 110 S.E.2d 223, 226 (1959), construing the term "aggrieved" as it relates to the Commission, quoted the following language as a proper explanation of the term:

> In legal acceptation a party or person is aggrieved by a judgment, order, or decree, so as to be entitled to appeal or sue out a writ of error, whenever it operates prejudicially and directly upon his property or pecuniary rights or interest, or upon his personal rights, and only when it has such effect.

In that case, the Court held that, to be aggrieved, a party's substantial interest must be directly affected. The judgment must act directly upon the party's rights and not merely collaterally or indirectly. The Commission does not find that Virginia Power, in awarding a contract to one supplier as opposed to another, has acted directly upon a personal, property or pecuniary right or interest of the UMWA as contemplated by the public utility laws of Virginia.

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[1] According to the UMWA, it represents the miners at Consolidation, but not at MAPCO.

[2] **Remedies of persons aggrieved by public service corporation's violation of law.** -- Any person or corporation aggrieved by anything done or omitted in violation of any of the provisions of this or any other chapter under this title, by any public service corporation chartered or doing business in this Commonwealth, shall have the right to make complaint of the grievance and seek relief by petition against such public service corporation before the State Corporation Commission, sitting as a court of record.

[3] See, Rule 5:6.

Having decided these preliminary questions, the final matter to be addressed is whether the Commission ought to undertake an investigation upon its own motion. Rule 5:6 states that the Commission may instigate a formal proceeding "upon petition of any aggrieved party, or upon its own motion if necessary for full relief[.]"[4] The Commission's review of the pleadings does not reveal sufficient reason at this time to cause the Commission to initiate a separate, formal proceeding on its own motion.

The UMWA represents the miners at Consolidation, which apparently is a disappointed bidder on a coal contract sought by Virginia Power. In its response to Virginia Power's Motion to Dismiss, the Union set out various factors which it believed were not properly considered by the Company in determining to award the bid to Consolidation's competitor, MAPCO. The Union makes no assertion of any abuse, misconduct or wrongdoing on the part of Virginia Power that would require our immediate intervention. On this point, the Union's complaint can be distinguished from the allegations before the Commission in Case No. PUE940040. There, Virginia Power asserted that improper interference from an affiliate had caused it to enter contracts for the transportation of coal that were economically unjustifiable. Here, the Union argues that the Company should have weighed various risk factors differently than it did. Essentially, the Union suggests the Commission should substitute its judgment for that of the Company's management in the selection of a fuel supplier. The Commission declines to undertake a formal proceeding to do so. While the statute[5] imposes upon the Commission the duty to monitor fuel contracts for all feasible economies, in the absence of extraordinary circumstances, that monitoring occurs in fuel factor proceedings under Code § 56-249.6.

The Company's expenses under this fuel contract, like those under its other fuel contracts, are subject to active and continuous monitoring by our Staff in ongoing fuel factor clause proceedings. Should it be alleged or appear that any expense under this contract resulted from imprudent action or inaction on the part of Virginia Power, that matter can properly be brought before the Commission in the fuel factor proceedings. The Commission does not find that a separate, formal proceeding is necessary for full relief now.

Because the UMWA does not have standing to bring its complaint as a matter of right, and because the Commission does not find sufficient reason to bring a complaint upon its own motion, the Commission finds that the Motion to Dismiss should be granted.

Accordingly, IT IS ORDERED:

(1) That the Request for Oral Argument be, and hereby is, denied;

(2) That the Motion to Dismiss be, and hereby is, granted; and

(3) That, there being nothing further to come before the Commission, this matter is dismissed and the papers transferred to the file for ended causes.

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[4] See also, Code § 56-35 et seq.

[5] Code § 56-248.1.

CASE NO. PUE950132
JANUARY 17, 1996

APPLICATION OF
HOGES CHAPEL WATER SERVICE CORPORATION

For cancellation of Certificate No. W-182

ORDER CANCELING CERTIFICATE

On June 19, 1995, the Commission, in Case No. PUA950018, issued an order granting Hoges Chapel Water Service Corporation ("Hoges Chapel" or "the Company") authority to transfer its water system assets to the County of Giles, Virginia. In a letter dated September 21, 1995, the Board of Supervisors of that county notified the Commission's Division of Energy Regulation that it acquired those assets on July 1, 1995, and that it was currently operating that water system.

NOW THE COMMISSION , having considered the matter, is of the opinion that Hoges Chapel's certificate of public convenience and necessity should be canceled. Accordingly,

IT IS ORDERED THAT Certificate No. W-182 authorizing Hoges Chapel to provide water service to customers in the County of Giles, Virginia, is hereby canceled and the matter dismissed from the Commission's docket of active cases.

CASE NO. PUE950133
JANUARY 11, 1995

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY
and
A&C ENERCOM ACQUISITION, INC.

For approval of affiliate transactions pursuant to Chapter 4 of Title 56, Code of Virginia

INTERIM ORDER

On December 21, 1995, Virginia Electric and Power Company ("Virginia Power") and A&C Enercom Acquisition, Inc. ("A&C Acquisition") filed an application seeking expedited approval on an interim basis of certain limited affiliate transactions, and on January 5, 1996, the companies filed an amendment to the application. The proposed transactions relate to Virginia Power's anticipated acquisition, through A&C Acquisition, of the business and assets of the EnCon Services and Tritech divisions of A&C Enercom Consultants, Inc. The interim approval is sought pending a more definitive affiliate agreement between Virginia Power and A&C Acquisition to be filed after the acquisition is completed.

The two companies seek approval for Virginia Power to assign a Virginia Power employee as Controller of A&C Acquisition in order to protect Virginia Power's investment and ensure that proper records are maintained. The companies also seek authority for Virginia Power to procure and administer three types of insurance for A&C Acquisition, including Directors and Officers Liability, Engineers Professional Liability and Excess Liability. In addition, interim affiliate approval is sought for three pre-existing contracts between Virginia Power and A&C Enercom Consultants, Inc. for certain energy-related services which are proposed to continue to be provided to Virginia Power by A&C Acquisition. The companies state that payments to A&C Acquisition under these contracts would not exceed $130,000 in the aggregate.

The Commission is of the opinion that interim approval of the proposed affiliate transactions is warranted for the limited purposes of protecting Virginia Power's investment through appropriate financial safeguards and services, for fulfillment of pre-existing contracts between Virginia Power and A&C Enercom Consultants, Inc., and for the proposed insurance services. This interim approval is not to be construed as final approval of these transactions or in any way as approval of any expenses of the transactions for ratemaking purposes. Nor do we approve here the form of organization of the business after the acquisition or any other aspects of the proposed acquisition or business activities related thereto. Our interim approval of the proposed transactions shall also be limited in duration to a reasonable period during which Virginia Power and A&C Acquisition shall seek approval of a definitive affiliate agreement as indicated in the application and such other approval, if any, as may be appropriate to the situation. Accordingly,

IT IS ORDERED THAT:

(1) The proposed limited affiliate transactions between Virginia Power and A&C Acquisition as set forth in the application, as amended, are approved pursuant to § 56-77 of the Code of Virginia on an interim basis subject to the terms and conditions set forth in this Order.

(2) Interim authority shall be granted through April 30, 1996, unless extended by further order of the Commission.

(3) Should any terms and conditions of the proposed affiliate transactions change from those contained herein, Commission approval shall be required for such changes.

(4) The authority granted herein shall have no ratemaking implications.

(5) The authority granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

(6) This matter is continued pending further order of the Commission.

CASE NO. PUE950133
APRIL 24, 1996

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY
and
A&C ENERCOM, INC.

For approval of affiliate transactions pursuant to Chapter 4 of Title 56, Code of Virginia

ORDER GRANTING MOTION TO EXTEND INTERIM APPROVAL

On April 19, 1996, Virginia Electric and Power Company ("Virginia Power") and A&C Enercom, Inc. ("A&C") together ("the Companies") filed a motion requesting an extension of the interim approval granted by Order dated January 11, 1996 ("Interim Order") in this matter. In support of their motion, the Companies note that the Interim Order granted approval for limited interim affiliates services between the Companies in order to facilitate Virginia Power's acquisition of the business and assets of the A&C Services Division and the Tri-Tech Division of A&C Enercom Consultants, Inc. The acquisition was consummated on January 16, 1996.

The Companies further state that they filed an amendment to their application on March 12, 1996, seeking permanent approval of an Affiliate Services Agreement and an Inter-Company Credit Agreement between the Companies, as well as the reassignment of Tri-Tech Division personnel to

Virginia Power and the assignment of corresponding employment contracts and customer contracts by means of a dividend from A&C to Virginia Power. The request for permanent approval is currently pending before the Commission.

As Commission Staff will not have an adequate opportunity to review the Companies' request for permanent approval prior to April 30, 1996, the date upon which interim authority expires, Virginia Power requests the Commission to extend the interim approval beyond April 30, 1996. Virginia Power states that the extension is necessary to maintain the continuity of the limited number of services flowing between Virginia Power and A&C and to permit Virginia Power to continue to protect its investment in A&C.

The Commission, upon consideration of this matter, and having been advised by its Staff, is of the opinion and finds that the Companies' request should be granted. Accordingly,

IT IS ORDERED THAT the interim approval granted in this matter by order dated January 11, 1996, is hereby extended through the date of issuance of a decision on the Companies' request for permanent approval of affiliates services.

CASE NO. PUE950133
AUGUST 12, 1996

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY
and
A&C ENERCOM ACQUISITION, INC.

For approval of affiliate transactions pursuant to Chapter 4 of Title 56, Code of Virginia

ORDER GRANTING CONTINUED INTERIM APPROVAL

On August 1, 1996, Virginia Electric and Power Company ("Virginia Power") and A&C Enercom, Inc. ("A&C") together ("the Companies") filed a Motion for Continued Interim Approval ("Motion") of an arrangement by which A&C provides commercial and industrial consulting services to Virginia Power and of Virginia Power assistance to A&C for a limited number of additional administrative functions.

In support of this Motion, the Companies note that approval of an extension of commercial and industrial consulting services is necessary in order to continue the provision of such services resulting from the expiration, on June 30, 1996, of an identical arrangement. The identical arranged was approved, on an interim basis, by Commission order dated April 24, 1996. The Companies state that payments to A&C under this extension of the consulting contract will not exceed $500,000.

The Companies also request that Virginia Power be permitted to offer a limited number of additional services to A&C, on an interim basis, in the areas of general accounting, taxation, treasury services and human resources to supplement the services currently provided by a controller assigned to A&C. Virginia Power reaffirms that the administrative services will be provided at full reimbursement to Virginia Power and specific records will be maintained to assure that result.

Virginia Power and A&C request continued interim approval of the services set forth in their Motion until the earlier of December 31, 1996, or the date of final approval of the affiliates application in this proceeding. The Companies represent that counsel for the Air Conditioning Contractors of America ("ACCA") has been informed of the above described requests and that the ACCA has no objection to the granting of this Motion.

The Commission, upon consideration of this matter, and having been advised by its Staff, is of the opinion and finds that the Companies' requests should be granted. Accordingly,

IT IS ORDERED THAT:

(1) The proposed limited affiliate transactions between Virginia Power and A&C as set forth in their Motion of August 1, 1996, are approved pursuant to § 56-77 of the Code of Virginia until the earlier of December 31, 1996, or the date of final approval of the affiliates application in this proceeding.

(2) Should any terms and conditions of the proposed affiliate transactions change from those contained herein, Commission approval shall be required prior to the implementation of such changes.

(3) The authority granted herein shall have no ratemaking implications.

(4) Authority granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

(5) This matter is continued pending further order of the Commission.

CASE NO. PUE950133
NOVEMBER 8, 1996

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY
and
A&C ENERCOM, INC., formerly known as A&C ENERCOM ACQUISITIONS, INC.

For approval of affiliate transactions pursuant to Chapter 4 of Title 56, Code of Virginia

ORDER GRANTING APPROVAL

On December 21, 1995, January 10, 1996, and March 2, 1996, Virginia Electric and Power Company ("Virginia Power," or "Company") filed an application and two amendments with the Commission requesting approval of certain affiliate transactions with A&C Enercom, Inc., formerly known as A&C Enercom Acquisition, Inc., ("A&C" or "Affiliate"), a wholly owned subsidiary of Virginia Power. By Commission Order dated January 11, 1996, Virginia Power was granted approval to enter into certain affiliate transactions with A&C on an interim basis through April 30, 1996. By orders dated April 24, 1996 and August 12, 1996, that approval was modified and extended until further order of the Commission. The interim approvals were granted to facilitate A&C's early acquisition of the business and assets of the A&C Services Division ("A&C Serv") and the Tritech Division ("Tritech") (together, the "A&C Divisions") of A&C Enercom Consultants, Inc. and to allow limited services between Virginia Power and A&C. On January 16, 1996, the acquisition of the business and assets of the A&C Divisions by A&C Enercom Acquisition, Inc. was consummated.[1]

Virginia Power states in its application that the A&C Divisions are engaged in selling a variety of energy services to customers throughout much of the United States, and that Virginia Power and A&C intend to utilize the resources and experience of both companies to achieve efficiencies of operation and to expand and extend their energy services business. Virginia Power further states that the Commission's interim approval has enabled A&C to continue the operations of the A&C Divisions from and after the date of their acquisition. For the long-term, however, additional affiliate services need to be authorized so that the maximum potential of the acquisition may be realized. Virginia Power states that the desired expansion of activities of its Energy Services Business Unit and A&C make it desirable, in the interests of efficiency and economy, for Virginia Power to provide a number of corporate, administrative, financial, and technical services to A&C and for A&C to provide a number of administrative, marketing, and technical services to Virginia Power. The Company states that it is also desirable for Virginia Power to continue to procure from A&C, for itself and its customers, the energy services that A&C provides in the marketplace to utilities and their customers, including services of the types that were given interim approval.

As indicated in the application, A&C Serv and Tritech engage in different (although related) businesses and provide different types of service. A&C Serv serves a national market in providing utilities with alternatives for the delivery of value added customer programs to residential and commercial customers. A&C Serv programs include: outsourcing services, consulting services, software products that support both outsourcing and consulting services and capabilities; direct load control services, and appliance services.

Tritech functions as a utility's partner to increase and diversify revenue streams while simultaneously building client relationships with industrial and commercial customers. Tritech programs include: process improvement identification, project cost benefit analysis, design, engineering, and other project management services, project finance advisory services, and training and education of company personnel. The Tritech services are substantially identical to some of the services being developed and offered by the Energy Services Business Unit of Virginia Power, and Virginia Power believes that Tritech's operations and the operations of Virginia Power's Energy Services Business Unit can be made more efficient by fully integrating them into each other. Therefore, Virginia Power proposes that the Tritech personnel and business operations be transferred out of A&C and into Virginia Power, while the A&C Serv services should continue to be provided through A&C.

The Company indicates in its application that Tritech and A&C Serv presently share certain leased office space, facilities, vehicles, equipment, administrative personnel services, and related expenses. The transfer of Tritech's personnel and business operations into Virginia Power will necessitate arrangements between A&C and Virginia Power for continuation of such sharing.

Virginia Power indicates that after the Tritech personnel and business operations are transferred into Virginia Power, A&C's capital requirements will be less than if the transfer did not take place, but working capital and capital for expansion will, from time to time, continue to be required for A&C Serv's business. The Company proposes to provide such capital from time to time at a rate no lower than the prime rate. The Company states that this will provide an appropriate premium above its cost and therefore will impose no cost on its electric service customers.

The Company also states that the transfer of the personnel and business operations of Tritech into Virginia Power will involve the reassignment of all Tritech personnel and assignment by means of a dividend from A&C to Virginia Power of A&C's employment agreements for certain Tritech personnel and of its agreements for Tritech's services to its customers. After the transfer, A&C Serv will constitute all of A&C's operations.

Pursuant to the Affiliate Services Agreement, for services provided, A&C will compensate Virginia Power by reimbursing the full cost incurred by Virginia Power in providing those services, except that in the case of financing under the Inter-Company Credit Agreement, where A&C will pay Virginia Power at a rate no lower than the prime rate. Virginia Power will compensate A&C by paying market price for those services that A&C also markets to other purchasers and by reimbursing the full cost incurred by A&C for those services that are incidental to Virginia Power's ownership of A&C. All revenues received and expenses incurred by Virginia Power under the Affiliate Services Agreement will be excluded from the utility's cost of service for ratemaking purposes, except where the A&C services are provided in support of Virginia Power's electric utility operations within its assigned service territory.

As indicated in the application, most of the services provided by Tritech are designed to support electric utility service and include services within the Company's assigned service territory that Virginia Power presently provides to its customers in aid of its utility service to them. Therefore, the Company proposes that the costs and revenues associated with these services provided by Tritech to Virginia Power's customers within Virginia Power's service territory be included in the calculation of the Company's cost of service, although the Company recognizes that final determination of whether

[1] On January 18, 1996, the name of A&C Enercom Acquisitions, Inc. was changed to A&C Enercom, Inc.

such items will be allowed for ratemaking purposes will be made in a rate proceeding. Services provided outside of Virginia Power's service territory will, like most of A&C Serv's services, be excluded from the calculation of utility cost of service.

Virginia Power states that the requested approvals will enable Company to expand, and to maximize efficiencies in, their energy services business, and this is in the public interest for the following reasons:

1. The cooperative efforts of Virginia Power and A&C, together with the addition of Tritech's personnel and business to Virginia Power's Energy Services Business Unit, will greatly expand the Company's overall energy service business capability, thereby enabling it to provide a more complete assortment of energy-related services to its electric customers and other parties.

2. Such expansion of services will place Virginia Power in a stronger position to meet the rapidly increasing competition in the electric utility business.

3. Customer relationships established through the expanded energy services business will enable Virginia Power to maintain a strong competitive position if retail competition should become widespread in the industry.

4. Increased activity in the businesses in which A&C Serv and Tritech have engaged will provide the Company with the most up to date developments and technology related to energy use, energy efficiency, load management, and energy-related services generally and thereby tend to assure that Virginia Power remains in the forefront with respect to such activities.

5. No additional or unnecessary costs will be imposed on ratepayers as a result of the acquisition.

On July 26, 1996, the Central Virginia Charter of the Air Conditioning Contractors of America ("ACCA"), the National Capital Chapter, ACCA, and the Hampton Roads Chapter, ACCA (collectively "the ACCA Members") filed a Protest in this matter expressing concern regarding A&C Serv's marketing of warranties for, inter alia, heating and air conditioning appliances. The gravamen of the ACCA Members' Protest is that Virginia Power's entry into the residential warranty market enables the Company to unfairly take advantage of its monopoly status. The ACCA Members' further state that Virginia Power should not be permitted to use its proprietary information to further A&C's proposed operations without the knowledge and consent of the affected customers; that monopoly-derived resources, including but not limited to customers' names and addresses, and Virginia Powers' billing system, should not be made available to the A&C Divisions free of cost; and that monopoly-derived resources should be made available to competing businesses on the same basis as they are provided to A&C.

Pursuant to Commission order of July 30, 1996, Virginia Power filed its response to the ACCA Members' Protest on August 14, 1996, and the ACCA Members filed their reply on August 21, 1996. On September 10, 1996, Virginia Power and A&C filed a motion requesting permission to withdraw its application to the extent that it requests approval of affiliated services relating to an appliance service program in Virginia. On September 19, 1996, the ACCA Members filed their response stating that they do not object to the motion insofar as it seeks to withdraw the warranty program. The ACCA Members, however, reserve their right to file a protest should Virginia Power subsequently submit an application requesting permission to pursue an appliance service program and specifically request that Virginia Power be directed to notify counsel for the ACCA Members when and if any such application is filed in the future. The ACCA Members also reiterated their concerns regarding Virginia Power's use of monopoly power in a competitive market.

On September 18, 1996, the National Association of Energy Service Companies ("NAESCO") filed comments regarding the referenced matter.[2] NAESCO states that any decision regarding this application as well as future requests by Virginia Power regarding the creation and/or acquisition of related business entities should be subject to standards of competitive conduct to prohibit actual and potential market abuses. NAESCO is particularly concerned that utilities might use revenue from one sector of their operations to subsidize other activities, and that utilities may use customer information acquired in providing electric service to its own advantage at the expense of other market providers.

On September 23, 1996, the Consulting Engineers Council of Virginia, Inc. ("CECV") filed its Protest. CECV notes that A&C Serv provides outsourcing services that include energy audits and analysis. CECV also notes that Tritech, which Virginia Power intends to absorb into its current Energy Services Business Unit, provides process improvement services and aids in promoting effective energy usage. These Tritech services include process improvement identifications, project cost benefit analysis, design, engineering and other project management services. CECV further notes that the proposed Affiliate Services Agreement states that among the services that Virginia Power and A&C may provide to each other are environmental services, including air and water quality research services; technical and engineering support functions; development of energy-related services for residential, commercial and industrial markets; and specialized programs for specific target markets and related services.

CECV states that many of the services that Virginia Power and A&C plan to provide are routinely provided by independent consulting engineering firms in Virginia and cites the Staff Report on the Restructuring of the Electric Industry, July 1, 1996, Volume 1, p. 394, for the warning that competition by regulated utility companies in non-regulated activities presents the opportunity for abuse of monopoly power. Although the Applicants acknowledge that great care must be taken to insure each party appropriately compensates the other for services rendered in order that neither of them will subsidize the operations of the other, CECV states that no assurance is offered that the applicants will charge a market cost for those services they propose to provide Virginia Power's customers and others in competition with CECV's members.

CECV also notes that Virginia Power seeks to include revenues received and expenses incurred under the Affiliate Services Agreement, when A&C services are provided in support of Virginia Power's electric utility operations within its assigned service territory. Virginia Power states that these are services that Virginia Power should otherwise provide for itself and include in utility cost of service if they were not available on the market at a competitive price. CECV fears that these statements mean that the financial consequences of the A&C and Tritech services, insofar as they are provided within Virginia Power's service area, will be borne by Virginia Power's ratepayers, not the relatively few customers to whom such services will be provided.

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[2] We note that the comments filed on behalf of the NAESCO were not filed by counsel licensed by the Virginia State Bar.

CECV states that the affiliates agreement between Virginia Power and A&C should not be approved until the Commission is satisfied that the services referenced in the Companies' application and supporting documents, which are offered and provided by independent consulting firms in this state, will be marketed and provided only in a manner that does not unfairly compete with such firms and is consistent with the public interest.

The Protests and Comments filed in this matter express concern that Virginia Power's relationship with A&C may constitute an abuse of the utility's monopoly power. The Commission has reviewed similar changes in the past. See Commonwealth of Virginia ex rel. State Corporation Commission, In re: Virginia Electric and Power Company, Residential Outdoor Lighting Facilities, Case No. PUE880049, 1990 S.C.C. Ann. Rept. 64; NECA v. VEPCO, Case No. 9338, 1978 S.C.C. Ann. Rept. 4; Aff'd, VEPCO v. State Corporation Commission, 219 Va. 894 (1979); and Application of Virginia Electric and Power Company, for approval of revisions of Schedule 7 and other changes associated with outdoor lighting facilities, Case No. PUE910079, 1993 S.C.C. Ann. Rept. 49. In an affiliates application, however, we typically limit our review to those issues of cost for services between a utility and its affiliate. Accordingly, we will reserve our decision regarding the issues of abuse of monopoly power for the time when an appropriate complaint is filed against the Company.

NOW THE COMMISSION, upon consideration of the record for this matter and having been advised by its Staff, finds that the motion of Virginia Power and A&C to withdraw that portion of their application relating to an appliance service program should be granted and that Virginia Power should serve a copy of any future application regarding such service on counsel for ACCA and NAESCO. We further find that the above-described Affiliate Services Agreement is in the public interest and should be approved. To ensure that the Affiliate Services Agreement continues to be in the public interest, such approval shall be limited for an initial period of three years from the date of this Order, unless otherwise modified by subsequent order. During the initial three-year period, the Company should conduct studies of the market price for services contained in the Affiliate Services Agreement. Relative to services for which it has been shown that there is a market price, the Company should be required to provide a comparison of market price and cost should the Company desire to continue the Affiliate Services Agreement beyond the initial approval period. During the three-year period, all services provided to and by Virginia Power should be provided at cost.

Accordingly, IT IS ORDERED THAT:

(1) The motion of Virginia Power and A&C to withdraw the portion of their application relating to an appliance service program is granted.

(2) Pursuant to § 56-77 of the Code of Virginia, Virginia Electric and Power Company is hereby granted approval for the Affiliate Services Agreement to include the Inter-Company Credit Agreement and for the reassignment of the Tritech personnel and the assignment of its employment contracts and customer contracts by means of a dividend to Virginia by A&C as described herein.

(3) The approval granted herein of the Affiliate Services Agreement shall be for three years from the date of this Order.

(4) During the three-year approval period, the Company shall conduct studies of the market price for services contained in the Affiliate Services Agreement. During that time, all services shall be provided to and by Virginia Power at cost.

(5) Should the Company desire to continue the Affiliate Services Agreement beyond the three-year approval period granted herein, subsequent Commission approval shall be required. With any requests for approval beyond the initial three-year period, the Company shall be required to provide a comparison of market price to cost for any services for which a market price has been determined.

(6) Any changes in the terms and conditions of the Affiliate Services Agreement from those contained herein shall require Commission approval.

(7) The approval granted herein shall have no ratemaking implications.

(8) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

(9) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not such affiliate is regulated by the Commission, pursuant to § 56-79 of the Code of Virginia.

(10) The Affiliate Services Agreement approved herein shall be included in the Company's Annual Report of Affiliate Transactions filed with the Director of Public Utility Accounting.

(11) The Company shall file with the Director of Public Utility Accounting and the Director of Economics and Finance, a report containing the following information related to the Inter-Company Credit Agreement: amount and date of borrowings, interest rate charged to A&C, A&C's use of the funds, and Virginia Power's source and cost of funds. Such report shall be filed by no later than April 1 of each year.

(12) The Company shall file with the Commission by no later than December 31, 1996, an executed copy of the Affiliate Services Agreement modified to reflect the provision of all services to Virginia Power at cost rather than at market as contained in the original Affiliate Services Agreement and any other modifications necessary to comply with the provisions of this Order.

(13) This matter shall be continued generally subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUE950134
APRIL 1, 1996

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For a certificate of public convenience and necessity authorizing operation of transmission lines and facilities in the City of Alexandria: Jefferson Street-Glebe/Ox-Glebe 230 kV double circuit transmission line underground installation

ORDER GRANTING 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 area including the City of Alexandria, Virginia, certificate No. ET-79ff. In this project, Virginia Power proposes to install underground a 1675 foot section of double circuit 230 kV transmission line to replace a 1700 foot section of the existing Jefferson Street - Glebe/Ox-Glebe overhead transmission line in the southeastern part of the City of Alexandria ("City").

By order dated February 6, 1996, the Commission docketed this proceeding and directed the Company to give notice of the application by newspaper publication and by serving copies of the order on local government officials. On February 23, 1996, Virginia Power filed proof of newspaper publication and an affidavit of service of copies of the order on officials in the City. The Commission finds that proper notice as required by Va. Code § 56-265.2 was given.

In the Commission's order of February 6, 1996, and the published notice, all interested persons were directed to request a formal hearing or to file any other comments on or before March 7, 1996. No such comments or requests were received by the Commission's Document Control Center. The Commission finds that, after appropriate public notice, no interested person requested a formal hearing on this proceeding. Further, no comments were received from interested persons which would lead the Commission to order a formal hearing on its own accord.

The Commission Staff ("Staff") reviewed Virginia Power's application and contacted the Virginia Department of Environmental Quality ("DEQ") to request any comments that agency or any other state environmental agencies might have regarding the application. In response to this request, the DEQ provided comments dated March 8, 1996.

On March 21, 1996, the Staff filed with the Clerk of the Commission a report of its investigation ("Staff Report") and provided copies to Virginia Power. Copies of correspondence and reports related to the project from the DEQ were attached to the Staff report. The Staff noted that the DEQ has "determined that the proposed transmission line removal and underground installation should not have a significant impact on natural resources, provided that Virginia Power considers the information [submitted by DEQ] and follows the recommendations provided [by various agencies]."

On March 28, 1996, Virginia Power, by counsel, filed a letter in this proceeding stating that it would consider the information and follow the recommendations provided by the Department of Environmental Quality set forth in its letter of March 8, 1996.

Upon consideration of Virginia Power's application and the Staff report, the Commission finds that there is a need for the proposed facility. According to Virginia Power's application, the City requested that a section of the existing transmission line be placed underground as it is necessary for the development of a project known as the "Carlyle Project", which will include an extensive hotel and convention center and an African-American heritage park. The application notes that the City has agreed to reimburse Virginia Power for the costs of undergrounding this section of existing transmission line. Further, in its report Staff states that there are no feasible alternatives for relocation of the existing transmission line.

The application further states that the proposed line will be located entirely in the City of Alexandria on a 24 foot right-of-way. This right-of-way will cross only property owned by the Carr Development Corporation, the developer of the Carlyle Project. The special use permit, issued by the City for the Carlyle Project, provides that an easement for the proposed line will be made available to Virginia Power by the Carr Development Corporation. Because the line will be installed under Holland Lane, which is presently under reconstruction, no clearing will be needed for the construction of the proposed transmission facilities.

Upon consideration of the material before it, the Commission finds that the proposed underground double circuit 230 kV transmission line does not appear to have a substantial adverse environmental impact. The Commission also notes that Virginia Power has committed to following the recommendations provided by the Department of Environmental Quality in its planning, construction, and operation of the proposed transmission line.

In conclusion, the Commission finds that a certificate of public convenience and necessity to construct and operate the proposed double circuit 230 kV underground transmission line should be issued to Virginia Power. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to Va. Code § 56-265.2 and related provisions of Title 56 of the Code of Virginia, this application be granted.

(2) Virginia Power be issued an amended certificate that the public convenience and necessity require exercise of the right or privilege to construct underground a 1675 foot section of double circuit 230 kV transmission line to replace a 1700 foot section of the existing Jefferson Street - Glebe/Ox-Glebe overhead transmission line in the southeastern part of the City of Alexandria.

(3) Virginia Power be issued an amended certificate of public convenience and necessity as follows:

> Certificate No. ET-79gg to operate present transmission lines and facilities in the City of Alexandria, the City of Falls Church, County of Arlington, and the County of Fairfax and to construct and operate the proposed underground 1675 foot section of double circuit 230 kV transmission line in the City of Alexandria as shown on the map attached thereto. Certificate No. ET-79gg is to supersede Certificate No. ET-79ff, issued on March 12, 1991.

(4) This case be dismissed from the docket of active proceedings and the papers herein be placed in the file ended causes.

CASE NO. PUE950135
MAY 21, 1996

APPLICATION OF
APPALACHIAN POWER COMPANY

For authority to defer filing of revised Schedule COGEN/SPP

ORDER AUTHORIZING DEFERRAL OF FILING

Before the Commission is the application of Appalachian Power Company ("Appalachian" or "the Company") for authorization to defer filing its revised Schedule COGEN/SPP not later than six months following the issuance of the Commission's final order in the Company's pending expedited rate case, Case No. PUE940063. After considering the application and Staff comments, as discussed below, the Commission authorizes the Company by this order to propose a new Schedule COGEN/SPP not later than six months following the issuance of the Commission's final order in the Company's pending rate case, Case No. PUE940063.

By order dated March 13, 1996, the Commission docketed this matter and directed Appalachian to give notice of its application to several classes of potentially interested persons. The Commission also authorized interested persons and the Commission Staff to file comments on the application.

On April 3, 1996, Appalachian filed with the Clerk of the Commission a certificate of mailing of notice of this application to the potentially interested persons. Based upon the certificate, the Commission finds that appropriate notice of the application has been given. No comments were received from any potentially interested person.

On April 23, 1996, Commission Staff filed its comments. Staff noted that both the Federal Energy Regulatory Commission and this Commission have initiated proceedings considering competition and restructuring of the electric industry. The Federal Energy Regulatory Commission has recently issued its Final Rule in Docket Nos. 95-8-000 and RM94-7-001, Promoting Wholesale Competition Through Open Access Non-discriminatory Transmission Services by Public Utilities; Recovery of Stranded Costs by Public Utilities and Transmitting Utilities, Order No. 888 (April 24, 1996), in which it made changes in national policy on electric utility regulation. We have initiated a proceeding, In re, reviewing and considering Commission policy regarding restructuring of, and competition in, the electric utility industry, Case No. PUE950089, Order Establishing Investigation (Sept. 18, 1995), to consider implications of industry changes for the Commonwealth and its citizens. These initiatives and related proceedings at the federal level and in other states will, in all likelihood, affect electric utility markets.

Given the potential for change in the industry, Appalachian fears that establishing capacity and energy payments for QFs based on administratively determined avoided costs may not accurately reflect the market value of capacity or energy. At this time, the Commission cannot be certain that the previously approved procedures for determining APCO's avoided costs would assign excessive value to capacity or energy and result in unnecessary high payments. The Commission recognizes, however, that the industry faces considerable uncertainty. We also recognize that in the Company's pending rate application, Appalachian has agreed to drop the ceiling for Schedule COGEN/SPP to facilities with a design capacity of 100 kW or less; therefore, it is unlikely that many facilities will fall under this schedule. Furthermore, no comments were filed with the Commission in opposition to the Company's proposal and Commission Staff raised no objection.

Upon consideration of the record before us, the Commission will approve Appalachian's request. In extending the filing date to six months after the final order in the Company's pending rate case, the Commission expects Appalachian to develop proposed revised rates using the latest information available at the time of filing. Accordingly,

IT IS ORDERED THAT:

(1) Appalachian Power Company be authorized to defer filing no later than six months following the issuance of the Commission's final order in the Company's pending rate case, Case No. PUE940063, proposed payments to qualifying facilities under Schedule COGEN/SPP.

(2) This proceeding be dismissed from the Commission's docket and all papers herein be transferred to the files for ended cases.

CASE NO. PUE960001
MARCH 6, 1996

APPLICATION OF
THE POTOMAC EDISON COMPANY

To revise its fuel factor pursuant to Virginia Code § 56-249.6

ORDER ESTABLISHING 1996-1997 FUEL FACTOR

On January 16, 1996, The Potomac Edison Company ("Potomac Edison" or "the Company") filed with the Commission an application, together with written testimony, exhibits, and proposed tariffs intended to increase its currently operative fuel factor from 1.166¢ per kWh to 1.191¢ per kWh

effective with March 1996 cycle bills rendered on and after March 7, 1996. The Company also proposed six voltage differentiated fuel factors instead of one average fuel factor.

By Order dated January 26, 1996, the Commission established a procedural schedule and set a hearing date. In that Order, the Commission directed its Staff to file testimony and provided an opportunity for any interested person to participate in the hearing as a Protestant. No notice of protest or protest was received in this proceeding.

On February 28, 1996, the Company filed certain revised and updated exhibits. The effect of the revisions and updates was to decrease the level of the Company's requested fuel factor from an average 1.191¢ per kWh to an average 1.181¢ per kWh.

That same day, Staff filed its testimony wherein it recommended that Potomac Edison's proposed estimates of energy sales and fuel prices used in the development of the proposed fuel factor be accepted as reasonable. Staff also recommended a total fuel factor of 1.181¢ per kWh to become effective with March 1996 cycle bills rendered on and after March 7, 1996. Staff, however, opposed the Company's proposal to implement voltage differentiated fuel factors.

It was Staff's position that it was premature to address this concept at this time and that it would be more appropriate to consider the issue in the context of conclusions resulting from the Commission's restructuring docket, Commonwealth of Virginia, At the relation of the State Corporation Commission, Ex Parte, In the matter of reviewing and considering Commission policy regarding restructuring of and competition in the electric industry, Case No. PUE950089. Staff also noted that such a proposal was not appropriate at this time as the impact of fuel expenses associated with line losses had already been considered in setting base rates for varying customer classes.

The hearing was held on March 6, 1996. The Company tendered its proof of service at the commencement of the hearing.

Upon consideration of the record in this case, the Commission is of the opinion that it is inappropriate for the Company to implement voltage differentiated fuel factors at this time. The Commission is of the further opinion that the proposed total fuel factor of 1.181¢ per kWh is appropriate based in part on projected fuel expenses. Approval of this factor, however, is not construed as approval of the Company's actual fuel expenses. For each calendar year, the Commission's Staff conducts an audit and investigation which addresses, among other things, the appropriateness and reasonableness of the Company's booked fuel expenses. Staff's results are documented in an Annual Report ("Staff's Annual Report"). A copy of Staff's Annual Report is sent to the Company and to each party who participated in the Company's last fuel factor proceeding, all of whom are provided with an opportunity to comment and request a hearing on the report.

Based on Staff's Annual Report, and any comments or hearing thereon, the Commission enters an Order entitled "Final Audit for twelve-month period ending December 31, 19__, Fuel Cost-Recovery Position," hereinafter referred to as "Final Audit Order." Notwithstanding any findings made by the Commission in an earlier order establishing the Company's fuel factor based on estimates of future expenses and unaudited booked expenses, the Final Audit Order will be the final determination of not only what are in fact allowable fuel expenses and credits, but also the Company's over or underrecovery position as of the end of the audit period. Should the Commission find in its Final Audit Order (1) that any component of the Company's actual fuel expenses or credits has been inappropriately included or excluded, or (2) that the Company has failed to make every reasonable effort to minimize fuel costs or has made decisions resulting in unreasonable fuel costs, the Company's recovery position will be adjusted. This adjustment will be reflected in the recovery position at the time of the Company's next fuel factor proceeding. We reiterate that no finding in this order is final, as this matter is continued generally, pending Staff's audit of actual fuel expenses. Accordingly,

IT IS ORDERED THAT:

(1) A total fuel factor of 1.181¢ per kWh be, and hereby is, approved for all customers effective with Potomac Edison's March 1996 cycle bills rendered on and after March 7, 1996.

(2) This case shall be continued generally.

CASE NO. PUE960002
SEPTEMBER 23, 1996

APPLICATION OF
PRINCE GEORGE ELECTRIC COOPERATIVE

For a change in electric rates and to revise its tariffs

FINAL ORDER

On January 25, 1996, Prince George Electric Cooperative ("PGEC" or "the Cooperative") filed an application with the State Corporation Commission ("Commission") for a decrease in its jurisdictional base rate revenue of $111,036, which reflects the roll-in of Riders RS-10, RS-11, RS-12, RS-13, RS-14, RS-15, RS-16, RS-17, RS-18, RS-19 and S-17 into base rates. PGEC also requested changes in its Terms and Conditions of Service which would further reduce test year revenue by $1,182, for an overall decrease in revenue of $112,218. The Cooperative proposed to apportion its revenue decrease among customer classes in a manner that would reduce rates for many customers but would increase rates for the Residential and General Service classes. PGEC filed financial and operating data for the test year ending July 31, 1995, in support of its application.

By Order dated February 8, 1996, the Commission allowed the proposed rates to go into effect on an interim basis, subject to refund with interest, for service rendered on and after March 11, 1996. In the same Order, the Commission assigned a Hearing Examiner to the matter, established a procedural schedule, and set the application for hearing.

The case was heard by Deborah V. Ellenberg, Hearing Examiner on July 30, 1996. The Examiner issued her report on August 29, 1996. On September 9, 1996, the Cooperative filed its comments, noting that it took no exception to the Hearing Examiner's Report.

In her report, the Examiner found that:

1. The use of a test year ending July 31, 1995, is proper in this proceeding;

2. The Cooperative's test year operating revenues, after all adjustments, were $11,730,319;

3. The Cooperative's test year operating income deductions, after all adjustments, were $10,759,352;

4. The Cooperative's adjusted total margins for the test period were $872,998 and its modified margins excluding non-cash capital credits were $557,998;

5. The Cooperative's end of test period rate base, after adjustments, was $14,339,687;

6. The Cooperative's rates after all adjustments produced a test year actual TIER of 2.83, a modified TIER of 2.17, and a debt service coverage of 2.78;

7. The Staff's accounting adjustments, as revised in its surrebuttal testimony, except as modified herein, are reasonable and should be adopted;

8. The Cooperative should adopt the Staff's booking recommendations. Specifically,

   a) The Cooperative shall capitalize the purchase of transformer parts during the test year as follows:

      Dr. A/C 362 Station Equipment 6,750
      Cr. A/C 582 Station Operating Expenses 6,750

   b) The Cooperative shall capitalize a portion of the OPEB pay-as-you-go payments effective with the rate year,

   c) The Cooperative shall write-off the entire OPEB transition obligation based on an agreement reached between Staff and the electric cooperatives. Furthermore, the Cooperative should expense all unfunded OPEB accruals effective with the rate year,

   d) Prospectively, the Cooperative should use depreciation rates which fall within REA [RUS] established ranges;

9. Consistent with Staff witness Taylor's recommendation, the Cooperative also should capitalize outside contractor fees incurred in converting the operating and billing system from an on-line system with the Central Area Data Processing Cooperative to an in-house system;

10. The Cooperative's revenue allocation and rate design, as modified at the hearing in accordance with the agreement of the Cooperative and Staff, and as further adjusted proportionately to reflect the finally approved revenue requirement, are reasonable and should be adopted;

11. The Cooperative's revisions to its Terms and Conditions and miscellaneous charges are reasonable and should be adopted;

12. The Cooperative's gross annual revenues should be reduced by $283,530 to earn an actual TIER of 2.25, a modified TIER of 1.59, and a debt service coverage of 2.39;

13. The Cooperative should be required to promptly refund, with interest, all revenue collected in excess of the rates recommended herein;

14. The actual TIER of 2.25 is a fair and reasonable financial ratio to apply if the Cooperative requests a streamlined rate change under the new rules; and

15. Consistent with Staff's recommendation, the Commission should initiate an investigation on the allocation of wholesale power costs through the wholesale power cost adjustment clause for all jurisdictional electric cooperatives.

The Examiner modified the Staff's accounting recommendations to include five months of contributions to the NRECA Retirement and Security Program in PGEC's cost of service. She also recommended that the Commission enter an Order which adopts the findings in her report, grants the Cooperative a reduction in gross annual revenues of $283,530, directs the prompt refund, with interest, of all amounts collected in excess of the rates found just and reasonable in her Report, and dismisses the case.

NOW THE COMMISSION, upon consideration of the record, the Hearing Examiner's report, the Comments thereto, and the applicable statutes, is of the opinion and finds that the recommendations of the Hearing Examiner are reasonable and should be adopted, with the exception of the Examiner's finding as to investigation of the allocation of wholesale power costs through the wholesale power cost adjustment ("WPCAC") for all jurisdictional electric cooperatives. While we recognize that the allocation of these wholesale power costs may be a matter of concern, we believe that initiation of an immediate investigation of these issues may not be appropriate at this time. However, we may consider these issues, together with other WPCAC and cooperative-related issues, as part of a future proceeding.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the Hearing Examiner's August 29, 1996 Report, as clarified herein, are accepted.

(2) The Cooperative shall decrease its gross annual revenues by $283,530, effective for service rendered on and after March 11, 1996.

(3) On or before October 25, 1996, PGEC shall file revised schedules of rates and charges and revised Terms and Conditions of Service which are consistent with the findings made herein, effective for service rendered on and after March 11, 1996.

(4) PGEC shall forthwith implement the following booking and accounting recommendations: (i) The Cooperative shall capitalize the purchase of transformer parts during the test year as specified in the Hearing Examiner's Report; (ii) the Cooperative shall capitalize a portion of the OPEB pay-as-you-go payments effective with the rate year; (iii) the Cooperative shall write-off the entire OPEB transition obligation based on an agreement reached between Staff and the electric cooperatives. Furthermore, the Cooperative shall expense all unfunded OPEB accruals effective with the rate year; (iv) prospectively, the Cooperative shall use depreciation rates which fall within RUS established ranges.

(5) On or before November 21, 1996, PGEC shall complete the refund, with interest as directed below, of all revenues collected from the application of the interim rates which were effective for service rendered on an after March 11, 1996, 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.

(6) Interest upon the ordered refunds shall be computed from the date payment of each monthly bill was due during the interim period until the date refunds are made, at an average prime rate for each calendar quarter. The applicable average prime rate for each calendar quarter shall be the arithmetic mean, to the nearest one-hundredth of one percent, of the prime rate values published in the Federal Reserve Bulletin, or in the Federal Reserve's Selected Interest Rates (Statistical Release G.13) for the three months of the preceding calendar quarter.

(7) The interest required to be paid shall be compounded quarterly.

(8) The refunds ordered in Paragraph (5) above, may be accomplished by credit to the appropriate customer's account for current customers (each refund category shown separately on each customer's bill). Refunds to former customers shall be made by a check to the last known address of such customers when the refund amount is $1 or more. PGEC may offset the credits 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 the outstanding balances of such customers are disputed, no offset shall be permitted for the disputed portion. The Cooperative may retain refunds owed to former customers when such amount is less than $1. However, PGEC shall prepare and maintain a list detailing each of the former accounts for which refunds are less than $1, and in the event such former customers contact the Cooperative and request refunds, such refunds shall be made promptly. All unclaimed refunds shall be handled in accordance with Virginia Code § 55-210.6:2.

(9) On or before December 18, 1996, PGEC shall file with the Staff a document showing that all refunds have been lawfully made pursuant to this Order and itemizing the cost of the refund and accounts charged. Such itemization of costs shall include, inter alia, computer costs, the personnel hours, associated salaries, and costs for verifying and correcting the refund methodology and developing the computer program.

(10) PGEC shall bear all cost of the refunds directed in this Order.

(11) Consistent with the agreement between Staff and Cooperative, the Cooperative shall apportion the decrease ordered herein such that no customer class shall receive an increase in rates and any increase to residential class customer charges shall be offset by a decrease to its usage rates.

(12) There being nothing further to be done herein, this case shall be dismissed.

CASE NO. PUE960004
OCTOBER 23, 1996

APPLICATION OF
THE POTOMAC EDISON COMPANY

To revise its cogeneration tariff pursuant to PURPA § 210

ORDER ESTABLISHING COGENERATION TARIFF

On January 16, 1996, The Potomac Edison Company ("Potomac Edison" or "the Company") filed an application to revise its Schedule CO-G for purchases of energy and capacity from cogenerators and small power producers pursuant to § 210 of the Public Utility Regulatory Policies Act of 1978 ("PURPA"). Pursuant to the Commission's order in Case No. PUE930066, that tariff applies to facilities with a design capacity of 100 kW or less.

Specifically, Potomac Edison proposes to reduce its 1996 on-peak energy rates from 2.247¢ per kWh to 1.757¢ per kWh; to reduce its off-peak energy rate from 2.021¢ per kWh to 1.512¢ per kWh; and to reduce its average energy rates applicable to non-time differentiated energy purchases from 2.142¢ per kWh to 1.644¢ per kWh. Since the Company is required to file Schedule CO-G rates biennially, the Company also proposes 1997 rates and establishes fuel mixes to allow locked-in energy payments for periods of up to 30 years.

The Company proposes to change its cost method for calculating capacity payments from the current levelized cost method to a "real" avoided cost method. The Company bases its proposed capacity payment on the projected cost of combustion turbines now planned for 2001 and 2002. For QFs that enter into contracts to provide dependable capacity with a term of at least five years, the Company will purchase capacity beginning October 1, 2001, at a rate of .587¢ per kWh (capacity component) plus .006¢ per kWh (fixed O&M component). Each component would be escalated by stated factors on October 1 of each year thereafter. Finally, the Company also proposes to revise its monthly connection charges to reflect an increase for basic watt-hour meters from $9.58 to $12.44; an increase for time-of-use-meters from $9.86 to $12.81; and a decrease for recording time-of-use meters from $39.35 to $40.31.

By order dated February 21, 1996, the matter was set for hearing on July 10, 1996. Pursuant to a May 30, 1996, Hearing Examiner's Ruling, Staff's motion for an extension in the procedural schedule was granted. The hearing scheduled for July 10, 1996, was convened for the sole purpose of receiving statements of interested public witnesses. None were present at that hearing.

The hearing was reconvened on September 12, 1996, before Hearing Examiner Deborah V. Ellenberg. Counsel appearing were Philip J. Bray and John Holloway for Potomac Edison and Marta B. Curtis for the Commission's Staff. Proof of notice was admitted into the record. No interveners appeared.

There were no issues in controversy at the hearing as the Company agreed to accept Staff's recommendations. Staff recommended that the Company's forecast of energy demand, sales, fuel prices, and avoided energy costs be accepted as reasonable. Staff agreed with Potomac Edison that the West Virginia B&O generation tax no longer needed to be included in energy costs. Staff, however, recommended that energy payments under Schedule CO-G be calculated by applying annually updated energy prices to the established avoided fuel mix for each contract year. Such costs should be filed on or before December 1 of each year. Staff noted that the Company need only calculate present rates for two years, 1996 and 1997, with the remaining contract years reflecting only unpriced mixes.

Staff recommended approval of Potomac Edison proposed capacity payments or the complete elimination of such payments. Staff noted that the latter alternative may be practicable in that it was impossible to develop reasonably reliable long-term estimates of avoided costs given the uncertainty surrounding the industry's future structure and the small 100 kW threshold of the schedule. Staff also recommended approval of the Company's proposed connection charges.

On September 23, 1996, the Hearing Examiner filed her Report. In her Report, the Examiner found that the Company's proposed energy payments, as modified by Staff, are reasonable. The Examiner also found that the capacity payment levels proposed by the Company should be adopted. In her discussion, the Examiner noted that Staff did not object to the capacity payment schedule proposed by the Company, that the APS Resource Plan currently shows capacity additions in the planning horizon, and that Schedule CO-G purchases are limited due to the low availability threshold. Finally, the Examiner found that the proposed changes in connection charges were reasonable. The Examiner recommended that the Company's proposed Schedule CO-G, as modified, be approved.

There were no comments filed to the Examiner's Report.

NOW THE COMMISSION, having considered the matter, is of the opinion that the findings and recommendations of the Examiner should be accepted. Accordingly,

IT IS ORDERED THAT:

(1) Consistent with the findings referenced herein, Potomac Edison's Schedule CO-G, as modified herein, be and hereby is approved effective November 1, 1996.

(2) Potomac Edison shall file within seven (7) days from the date of this Order a revised Schedule CO-G reflecting the modifications ordered herein and bearing an effective date of November 1, 1996.

(3) There being nothing further to be done in this matter, it be and hereby is dismissed and the papers filed in the file for ended causes.

CASE NO. PUE960005
MAY 10, 1996

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY, VIRGINIA DIVISION

For revisions to the Interruptible Delivery Service Rate Schedule No. 7, Developmental Natural Gas Vehicle Service Rate Schedule No. 8, and its Purchased Gas Adjustment Provision

FINAL ORDER

On January 23, 1996, Washington Gas Light Company ("WGL" or "the Company") filed an application with the State Corporation Commission ("Commission") to revise its Interruptible Delivery Service Rate Schedule No. 7 to provide for a Comprehensive Balancing Service option and a Self-Balancing Service option. WGL proposed to pass on all revenues from these new service options to firm natural gas customers through WGL's actual cost adjustment ("ACA") provision of the Company's purchased gas adjustment ("PGA") clause. Additionally, WGL proposed to renumber the pages in its Developmental Natural Gas Vehicle Service Schedule No. 8 to reflect the tariff additions to Rate Schedule No. 7.

On February 12, 1996, the Commission entered an order docketing the application, suspending the Company's tariff revisions through June 21, 1996, directing WGL to provide notice to the public of its application and inviting interested persons to file comments or requests for hearing on or before April 18, 1996. That Order also directed the Commission's Staff to investigate the reasonableness of WGL's tariff proposals, summarize any comments filed therein and report its findings and recommendations to the Commission.

No comments or requests for hearing were filed. On April 26, 1996, WGL, by counsel, filed its proof of compliance with the publication and service of the Order directed by the Commission's February 12, 1996 Order.

On April 22, 1996, the Staff filed its report in the captioned matter. In its report, the Staff stated that the development of the Comprehensive Balancing service charge should be revised to incorporate therms delivered to interruptible delivery customers during the 1995 ACA period. The Staff developed a revised charge for Comprehensive Balancing Service of 0.56¢ per therm rather than the 0.78¢ per therm charged proposed by the Company.

The Staff reported that WGL had only begun tracking daily imbalances at the customer level and that daily information was needed in order to develop more precise cost-based banking and balancing rates. The Staff recommended that WGL be required to gather additional customer-level cost and usage information, particularly daily balancing data, and use this information to revise the Comprehensive Balancing Service charge in its next rate case.

The Staff also recommended that WGL's proposed charges for Self-Balancing Service be accepted, finding it appropriate that the fees for this service increased with increased imbalances. As with its recommendations regarding WGL's Comprehensive Balancing Service, the Staff proposed that the Company revise its Self-Balancing Service fees in its next rate case, if appropriate, based on additional cost and usage information. The report took no exception to the remaining tariff revisions proposed by the Company's application.

By letter dated April 30, 1996, the Company advised that it concurred with the recommendations made in the Staff report.

NOW, UPON consideration of the Company's application, the Staff's report and the applicable statutes, the Commission is of the opinion and finds that the Company's proposed tariff revisions, as modified in accordance with the recommendations set out in the Staff report, are reasonable and should be adopted. The need to establish separate banking and balancing services is primarily a reflection of the ongoing market changes resulting from implementation of the Federal Energy Regulatory Commission's Order No. 636. Interstate gas pipelines now require daily balancing for firm transportation and storage services. WGL and other distribution companies that have permitted their transportation customers to balance on a monthly basis must now compensate for their transportation customers' daily imbalances through the use of their own storage capacity. Currently, WGL does not collect any storage costs from transportation customers through its PGA. A separate banking and balancing provision, with revenues flowing back to sales customers through the PGA, will help offset the transportation-related storage costs these customers are now paying.

Further, it is appropriate for the Company to collect additional daily balancing data as well as customer-level cost and usage information and use this information to revise and refine its balancing service charges for both its Comprehensive Balancing and Self-Balancing Services. We also find that the remaining tariff revisions proposed by the Company are appropriate.

Accordingly, IT IS ORDERED THAT:

(1) The tariff proposals for Comprehensive Balancing Service and Self-Balancing Service, as modified by the April 22, 1996 Staff report, are hereby adopted, effective for service rendered on and after May 16, 1996.

(2) The remaining tariff revisions proposed in this proceeding by WGL are also adopted, effective for service rendered on and after May 16, 1996.

(3) The Company shall continue to collect additional customer-level cost and usage data to develop more precise cost-based banking and balancing rates and shall use this information to revise and refine its Comprehensive Balancing Service and Self-Balancing Service tariffs in its next rate case.

(4) There being nothing further to be done in this matter, this case shall be dismissed, and the papers filed herein made a part of the Commission's file for ended causes.

CASE NO. PUE960006
NOVEMBER 22, 1996

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For approval of full scale programs to promote the installation of certain high efficiency gas appliances

ORDER GRANTING MOTION TO WITHDRAW APPLICATION

On November 8, 1996, Washington Gas Light Company ("WGL" or "the Company") filed a motion requesting permission to withdraw its application filed with the Commission on January 26, 1996, for approval of full-scale programs to promote the installation of certain high efficiency gas appliances in its Virginia service territory. The Company states that it desires to withdraw its application to allow further review of the need for such programs. The Company, however, reserves its right to request permanent approval of such programs in the future.

The Commission, upon consideration of this matter and upon advice of its Staff, is of the opinion and finds that WGL's motion should be granted. Accordingly,

IT IS ORDERED THAT:

(1) WGL be, and it hereby is, allowed to withdraw, without prejudice, its application for approval of full-scale programs to promote the installation of certain high efficiency gas appliances in its Virginia service territory.

(2) This matter be placed in the file for ended causes.

CASE NO. PUE960007
FEBRUARY 13, 1996

APPLICATION OF
CRAWFORD WATER COMPANY

For cancellation of Certificate No. W-231

ORDER CANCELING CERTIFICATE

By letter dated July 28, 1988, the Crawford Water Company ("Crawford" or "the Company") notified the Division of Energy Regulation that the Public Service Authority of Augusta County, Virginia, had purchased the assets of its water system on July 27, 1988. Subsequently, the Commission's Staff confirmed that the Augusta County Public Service Authority is currently operating the Crawford water system.

NOW THE COMMISSION, having considered the matter, is of the opinion that Crawford's certificate of public convenience and necessity authorizing the Company to provide water service to Augusta County should be canceled. Accordingly,

IT IS ORDERED THAT Certificate No. W-231 authorizing Crawford Water Company to provide water service to Augusta County, Virginia, be, and hereby is, canceled, and the matter is dismissed from the Commission's docket of active cases.

CASE NO. PUE960008
FEBRUARY 22, 1996

APPLICATION OF
AQUA SYSTEMS, INC.

For cancellation of Certificate No. W-193

ORDER CANCELING CERTIFICATE

On December 20, 1994, the Commission entered an order in Case No. PUA940042 granting authority for the transfer of Aqua Systems, Inc.'s ("the Company") water system assets to the Public Service Authority of Isle of Wight County, Virginia ("the Public Service Authority" or "the Authority"). Those assets were transferred to the Public Service Authority on May 15, 1995, and the Authority is currently operating that water system.

NOW THE COMMISSION, having considered the matter, is of the opinion that the certificate authorizing Aqua Systems, Inc. to provide water service to certain subdivisions in Isle of Wight County should be canceled. Accordingly,

IT IS ORDERED THAT Certificate No. W-193 authorizing Aqua Systems, Inc. to provide water service to the Carisbrooke and Bay Park subdivisions in Isle of Wight County, Virginia, be and hereby is canceled and the matter dismissed from the Commission's docket of active cases.

CASE NO. PUE960009
FEBRUARY 20, 1996

APPLICATION OF
TIDEWATER WATER COMPANY-ISLE OF WIGHT

For cancellation of Certificate No. W-211

ORDER CANCELING CERTIFICATE

In an Order entered on December 20, 1994, in Case No. PUA940042, the Commission granted Tidewater Water Company-Isle of Wight ("Tidewater" or "the Company") authority to transfer the assets of its water system to the Public Service Authority of Isle of Wight County, Virginia ("Public Service Authority" or "the Authority"). The water system was conveyed to the Public Service Authority on May 15, 1995, and the Authority is currently operating that water system.

NOW THE COMMISSION, having considered the matter, is of the opinion that Tidewater's certificate of public convenience and necessity authorizing the Company to provide water service to certain subdivisions in Isle of Wight County, Virginia, should be canceled. Accordingly,

IT IS ORDERED THAT Certificate No. W-211 authorizing Tidewater to provide water service to Benn's Church, Bethel Heights, C.L. Obrey, Carrollton Court, Day's Point, Rushmere/Burnwell Bay, Smithfield Heights, and Tormentor Creek subdivisions in Isle of Wight County, Virginia, be, and hereby is, canceled, and the matter placed in the file for ended causes.

CASE NO. PUE960018
OCTOBER 16, 1996

APPLICATION OF
COMMONWEALTH PUBLIC SERVICE CORPORATION

For a general increase in rates and to revise its tariffs

FINAL ORDER

On February 15, 1996, Commonwealth Public Service Corporation ("Commonwealth" or "the Company") filed a general rate application with the State Corporation Commission ("Commission"), seeking to increase the Company's annual operating revenues by $41,387, based on the Company's operations for the test year ended September 30, 1995. By Order dated March 1, 1996, the Commission docketed the application, assigned a Hearing Examiner to the matter, established a procedural schedule, and suspended the Company's proposed tariff revisions through July 14, 1996.

On July 1, 1996, the Company filed a notice, advising the Commission of its intent to place its proposed tariff revisions in effect for service rendered on and after August 1, 1996. The Company also filed a bond to secure any refunds subsequently ordered by the Commission. In his July 2, 1996 Ruling, the Hearing Examiner accepted the Company's bond.

Glenn P. Richardson, Senior Hearing Examiner, heard the case on October 2, 1996. Counsel for the Company and Staff submitted a joint stipulation that purported to resolved all of the issues in the proceeding. The Examiner issued his Report on October 2, 1996. The Company, by counsel, waived its right to file comments on the Report.

In his Report, the Examiner found that:

(1) The Joint Stipulation submitted by the Commission's Staff and Company is just and reasonable and should be accepted by the Commission when disposing of this application;

(2) The use of a test year ending September 30, 1995, is proper in this proceeding;

(3) The Company's test year operating revenues, after all adjustments, were $1,156,681;

(4) The Company's test year operating revenue deductions, after all adjustments, were $1,093,288;

(5) The Company's test year net operating income and adjusted operating income, after all adjustments, were $63,393 and $61,739, respectively;

(6) The Company's current rates produced a return on adjusted rate base of 6.99%, and a return on common equity of 7.47%;

(7) The Company's current cost of common equity is within a range of 10.20% - 11.20%, and the Company's rates should be established, based on the 10.70% midpoint of the equity range;

(8) The Company's overall cost of capital, using the midpoint of the equity range found reasonable herein, is 8.785%;

(9) The Company's adjusted test year rate base is $883,725;

(10) The Company's application requesting $41,387 in additional gross annual revenues is unjust and unreasonable because it will generate a return on rate base exceeding 8.785%;

(11) The Company requires $24,863 in additional gross annual revenues to earn an 8.785% return on rate base;

(12) The Staff's accounting and booking recommendations are just and reasonable and should be accepted by the Commission; and

(13) The proposed revenue apportionment and rate design proposed by the Company and Staff in the Joint Stipulation are just and reasonable and should be accepted by the Commission.

The Hearing Examiner accepted the Company and Staff's proposal to amend Staff's booking recommendation to require the Company to capitalize its property taxes related to construction work in progress ("CWIP"), effective October 1, 1996, in order to conform to the Company's fiscal year and certain other accounting changes. The Examiner also recommended that the Commission enter an order which adopts the findings in his report, grants the Company an increase in gross annual revenues of $24,863, and dismisses the case.

The Company waived its right to file comments to the Examiner's Report at the October 2 public hearing.

NOW THE COMMISSION, upon consideration of the record, the Hearing Examiner's Report, and the applicable statutes, is of the opinion and finds that the findings and recommendations of the Hearing Examiner are reasonable and should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the October 2, 1996 Report are accepted.

(2) The Joint Stipulation between the Company and Staff, identified as Appendix A hereto, is accepted, and is incorporated into this Order by its attachment.

(3) Commonwealth is hereby authorized to increase its gross annual revenues by $24,863, effective for service rendered on and after August 1, 1996.

(4) On or before November 7, 1996, Commonwealth shall file with the Division of Energy Regulation revised tariffs which are consistent with the findings made herein, effective for service rendered on and after August 1, 1996.

(5) The Company shall forthwith implement the Staffs booking and accounting recommendations to: (i) capitalize a portion of its Administrative and General and Management Fee expense; (ii) book a reduction to its Operations and Maintenance ("O&M") expenses and increase its Retirement Work in Progress for legal fees related to the analysis of coal tar remediation at Bluefield State College; (iii) directly allocate its distribution plant accumulated depreciation and cease allocating a portion of the Bluefield distribution plant accumulated depreciation to its Virginia jurisdictional operations; (iv) reclassify its Non-operating Accumulated Deferred Federal Income Taxes to a non-operating account; and (v) capitalize its property taxes related to construction work in progress, effective October 1, 1996.

(6) On or before December 30, 1996, Commonwealth shall complete the refund, with interest as directed below, of all revenues collected from the application of the interim rates which became effective for service rendered on and after August 1, 1996, to the extent that such revenues exceeded, on an annual basis, the revenues which would have been collected by application, in lieu thereof, of the permanent rates to be filed in compliance with this Order.

(7) Interest upon the ordered refunds shall be computed from the date payment of each monthly bill was due during the interim period until the date refunds are made, at an average prime rate for each calendar quarter. The applicable average prime rate for each calendar quarter shall be the arithmetic mean, to the nearest one-hundredth of one percent, of the prime rate values published in the Federal Reserve Bulletin, or in the Federal Reserve's Selected Interest Rates (Statistical Release G.13) for the three months of the preceding calendar quarter.

(8) The interest required to be paid shall be compounded quarterly.

(9) The refunds ordered in Paragraph (6) above, may be accomplished by a credit to the appropriate customer's account for current customers (each refund category shown separately on each customer's bill). Refunds to former customers shall be made by a check to the last known address of such customers when the refund amount is $1 or more. Commonwealth may offset the credits or refunds to the extent that no dispute exists regarding the outstanding balances of its current customers, or for customers who are no longer on its system. To the extent that the outstanding balances of such customers are disputed, no offset shall be permitted for the disputed portion. The Company may retain refunds owed to former customers when such amount is less than $1. However, Commonwealth shall prepare and maintain a list detailing each of the former accounts for which refunds are less than $1, and in the event such former customers contact the Company and request refunds, such refunds shall be made promptly. All unclaimed refunds shall be handled in accordance with Va. Code § 55-210.6:2.

(10) On or before January 24, 1997, the Company shall file with the Staff a document showing that all refunds have been lawfully made pursuant to this Order and itemizing the cost of the refund and accounts charged. Such itemization of costs shall include, inter alia, computer costs, the personnel hours, associated salaries, and costs for verifying and correcting the refund methodology and developing the computer program.

(11) Commonwealth shall bear all costs of refunds directed in this Order.

(12) The Company shall implement the rate design and revenue apportionment proposals described in Appendix A hereto.

(13) There being nothing further to be done herein, this case shall be dismissed.

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

CASE NO. PUE960019
MARCH 29, 1996

APPLICATION OF
KENTUCKY UTILITIES COMPANY, d/b/a OLD DOMINION POWER COMPANY

To revise its fuel factor pursuant to Va. Code § 56-249.6

ORDER ESTABLISHING 1996/97 FUEL FACTOR

On February 15, 1996, Kentucky Utilities Company, d/b/a Old Dominion Power Company, ("the Company") filed with the Commission its application and supporting documents requesting a decrease in its zero-based fuel factor from 1.338¢ per kWh to 1.223¢ per kWh, effective for bills rendered on and after April 1, 1996.

By order dated February 29, 1996, 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 and provided an opportunity for any person desiring to participate in the hearing to do so as a protestant. No notices of protest were received in this proceeding.

On March 18, 1996, the Staff of the Commission ("Staff") filed its testimony. Staff recommended that the Company's proposed estimates of energy sales and fuel prices used in the development of the proposed fuel factor be accepted as reasonable. Staff also recommended a zero-based fuel factor of 1.223¢ per kWh, effective for bills rendered on and after April 1, 1996. On March 22, 1996, the Company filed its rebuttal testimony. Staff filed a motion to strike a portion of the Company's rebuttal testimony on March 25, 1996, as it raised issues that were not addressed in either the Company's direct case or Staff report.

The hearing in this case was held on March 27, 1996. At the hearing, the Commission granted Staff's motion to strike a portion of the Company's rebuttal testimony, and received the Company's proof of notice. The Company's application and testimony and Staff's testimony were entered into the record without cross-examination.

UPON CONSIDERATION of the record in this case, the Commission is of the opinion that a decrease in the Company's zero-based fuel factor to 1.223¢ per kWh is appropriate, based in part on projected fuel expenses. Approval of this factor, however, is not construed as approval of the Company's actual fuel expenses. For each calendar year, the Commission's Staff conducts an audit and investigation which addresses, among other things, the appropriateness and reasonableness of the Company's booked fuel expenses. Staff's results are documented in an Annual Report ("Staff's Annual Report"). A copy of Staff's Annual Report is sent to the Company and to each party who participated in the Company's last fuel factor proceeding, all of whom are provided with an opportunity to comment and request a hearing on the report.

Based on Staff's Annual Report, any comments or hearing thereon, the Commission enters an Order entitled "Final Audit for twelve-month period ending December 31, 19__, Fuel Cost-Recovery Position," hereinafter referred to as "Final Audit Order." Notwithstanding any findings made by the Commission in an earlier order establishing the Company's fuel factor based on estimates of future expenses and unaudited booked expenses, the Final Audit Order will be the final determination of not only what are in fact allowable fuel expenses and credits, but also the Company's over or underrecovery position as of the end of the audit period. Should the Commission find in its Final Audit Order (1) that any component of the Company's actual fuel expenses or credits has been inappropriately included or excluded, or (2) that the Company has failed to make every reasonable effort to minimize fuel costs or has made decisions resulting in unreasonable fuel costs, the Company's recovery position will be adjusted. This adjustment will be reflected in the recovery position at the time of the Company's next fuel factor proceeding. We reiterate that no finding in this order is final, as this matter is continued generally, pending Staff's audit of actual fuel expenses. Accordingly,

IT IS ORDERED THAT:

(1) That a zero-based fuel factor of 1.223¢ per kWh is hereby approved effective for bills rendered on and after April 1, 1996.

(2) That this case is continued generally.

CASE NO. PUE960020
OCTOBER 7, 1996

APPLICATION OF
APPALACHIAN POWER COMPANY

For amendment of a license under the Water Power Act and for issuance of a certificate of public convenience and necessity in connection with certain improvements

FINAL ORDER

On February 21, 1996, Appalachian Power Company ("APCO" or "the Company") filed an application with the State Corporation Commission ("Commission") to amend its license for its Smith Mountain Project under Title 62.1, Chapter 7 of the Code of Virginia and to obtain a certificate of public convenience and necessity under Chapter 10.1 of Title 56 of the Code of Virginia. The Smith Mountain Project consists of a two reservoir combination of a conventional hydroelectric facility ("the Leesville facility") and a pumped storage facility ("the Smith Mountain facility") located on the headwaters of the Roanoke River. APCO's application seeks to amend the hydroelectric electric license issued by the Commission to reflect an administrative revision in the rated capacity necessitated by a change in the applicable Federal Energy Regulatory Commission ("FERC") regulations regarding calculations of rated capacities. These revisions result in a revised project capacity of 562 MW which is 7 MW below the installed capacity licensed by this Commission. FERC regulations now require that the installed capacities be calculated based upon the maximum efficiency point of each unit in the Smith Mountain Project rather than the maximum output of the units. The current FERC license has a capacity rating of approximately 584 MW, and the current Virginia license for the project has a rating of 569 MW. The revised capacity for the project is 562 MW, as shown in Schedule 3 to APCO witness Simms' direct testimony.

The Company's application also seeks a certificate of public convenience and necessity to increase the capacities of Units No. 2 and 4 of the Smith Mountain facility. This increase in capacity arises from the replacement of turbine runners for the two units and would increase the maximum capacity of the overall project by 49 MW. Based on the Company's prefiled direct testimony, the cost of the runner replacement is expected to be $13,401,000. The projected upgrade cost is approximately $273 per kW. The Company also plans to rewind its Unit No. 4 generator and install unit breakers for Units No. 2 and 4, which would increase the total project cost to $16,496,000. This additional work would be normally required as part of the ongoing operation and maintenance of Units No. 2 and 4 of the pumped storage facility.

In its March 13, 1996 Order, the Commission docketed the application and directed the Company to publish notice of its application and to serve a copy of the application and notice on each government agency and local governmental official identified in its application as having an interest in

or being affected by the application. The Commission also invited interested parties to file comments and requests for hearing by no later than May 10, 1996, and directed its Staff to file a report, addressing the application and any comments filed thereon.

No requests for hearing or objections to the application were filed. The Department of Environmental Quality filed comments indicating that the proposed project would have a limited environmental impact and stating that it had no objection to the Company's application.

On May 24, 1996, the Company filed its proof of newspaper publication and service upon governmental officials and interested agencies.

On May 29, 1996, the Staff filed its report in the captioned matter. In its report, the Staff did not object to the administrative changes in the Virginia hydroelectric project. It noted that the Company's related application for amendment of the FERC hydroelectric license is still pending before FERC.

APCO is an operating company of the American Electric Power ("AEP") system. As such, its generation and bulk power transmission facilities are operated as integral parts of the overall AEP system. The Staff analyzed the proposed uprate as part of the AEP system and from the perspective of APCO's power needs and concluded that the replacement of the turbine runners and resulting upgrade of Units No. 2 and 4 were meritorious since delaying the upgrade would necessitate an extended outage at a time when the Company's reserves were projected to be at their lowest. Staff was concerned that AEP's projected capacity needs were based on a declining reserve margin of approximately 12 percent. The Staff observed that a 12 percent reserve was abnormally low for AEP from a historical perspective, and that APCO had not submitted an analysis supporting a low reserve margin. The Staff therefore recommended that the proposed upgrade should be allowed to go forward and that the Company should be required to submit a reserve margin study for an informal review by the Staff.

In a letter dated June 10, 1996, APCO, by counsel, advised that it did not intend to respond to the Staff's report.

On August 26, 1996, the FERC issued an Order in a companion case, amending APCO's FERC hydroelectric license for the Smith Mountain Project. This Order revised the Project's installed capacity to reflect as-built conditions and to upgrade Units No. 2 and 4 at the Smith Mountain Development.

NOW, upon consideration of the Company's application, the Department of Environmental Quality's comments, the Staff's report, and the applicable statutes, the Commission is of the opinion and finds that an amended license should be granted under the Water Power Act, Title 62.1, Chapter 7 of the Code of Virginia. Based upon the facts presented in APCO's application, however, the replacement of the turbine runners in Units No. 2 and 4 constitutes an ordinary improvement in the usual course of business. The unique facts presented here do not require the issuance of a certificate of public convenience and necessity. However, our decision in this case should not be interpreted as deciding any question as to the threshold below which a capacity addition will be found to be an ordinary improvement in other circumstances.

Accordingly, IT IS ORDERED THAT:

(1) The captioned application shall be granted insofar as it requests an amended license pursuant to the Water Power Act, Title 62.1, Chapter 7 of the Code of Virginia.

(2) Paragraph (1)(A)(3) of APCO's existing license, issued on June 5, 1958, as further amended by the Commission's February 11, 1960 Order entered in Case No. 13862, relating to the Upper (Smith Mountain) Development, shall be amended in pertinent part as indicated below in bold type:

> A power station will be located at the foot of the dam; will have a massive concrete substructure, founded upon rock; **will contain two 174,000-kW Francis-type turbines connected to two 200,000-kW outdoor-type generators, two 66,000-kW Francis-type reversible pump turbines connected to two 66,025-kW outdoor-type reversible motor generators, and one 106,000-kW Francis-type reversible pump-turbine connected to a 115,344-kW outdoor-type reversible motor-generator.**

(3) Paragraph (2)(B)(3) of APCO's existing license, issued on June 5, 1958, as further amended by the Commission's February 11, 1960 Order entered in Case No. 13862, relating to the Lower (Leesville) Development, shall be modified as indicated below in bold type:

> A power station will be located at the foot of the dam; will have a massive concrete substructure, founded upon rock; **will contain two 27,750-kW propeller-type turbines connected to two 25,000-kW outdoor-type generators.**

(4) The authorized combined generating capacity set out in Paragraph (4)(E) of APCO's existing license, issued on June 5, 1958, as further amended by the February 11, 1960 Order entered in Case No. 13862, shall be modified and replaced with the following language:

> (E) The combined generating installation for the two power stations at rated capacity shall approximate 636,000 kW.

(5) APCO shall promptly file a reserve margin study with the Division of Energy Regulation.

(6) There being nothing further to be done herein, this matter shall be dismissed from the Commission's docket of active cases.

CASE NO. PUE960022
MARCH 11, 1996

APPLICATION OF
LAKEVILLE ESTATES WATER CORPORATION

For a cancellation of certificate No. W-101A

ORDER CANCELING CERTIFICATE

On July 16, 1968, Lakeville Estates Water Corporation ("Lakeville") was authorized to provide water service to residents in the Lakeville Estates ("Lakeville Estates") subdivision in the City of Virginia Beach, Virginia ("City"), pursuant to authority granted in Certificate No. W-101A. Subsequently, in a letter dated April 1, 1993, the City, by its counsel, advised the Commission that it acquired the assets of Lakeville's successor corporation, River Lake Water Agency, Inc., and that it began to provide water service to Lakeville Estates on March 29, 1993.

NOW THE COMMISSION, having considered the matter, is of the opinion that Lakeville's certificate of public convenience and necessity should be canceled. Accordingly,

IT IS ORDERED THAT Certificate No. W-101A authorizing Lakeville Estates Water Corporation to provide water service to the area known as Lakeville Estates in the City of Virginia Beach, Virginia, be and hereby, is canceled and the matter dismissed from the Commission's docket of active cases.

CASE NO. PUE960028
DECEMBER 11, 1996

APPLICATION OF
SOUTHWESTERN VIRGINIA GAS COMPANY

1995 Annual Informational Filing

ORDER

By order dated March 14, 1996, the Commission granted the motion of Southwestern Virginia Gas Company ("Southwestern" or "the Company") to defer filing its Annual Informational Filing ("AIF") until 75 days after the Commission issued a final order in the Company's then-pending rate case. The Company filed its AIF on June 26, 1996, based on a test period ending December 31, 1995.

Commission Staff filed its report on October 11, 1996. In its report, Staff made some booking recommendations. In addition, Staff found that the Company's earnings were in excess of the authorized return on equity range based on a per books earnings test. To mitigate this overearning situation, the Company informed Staff by letter that it will write-off the regulatory assets, consisting entirely of deferred rate case expenses, over the remaining months of 1996. A copy of the Company's letter to Staff was attached to the Staff Report. Staff agreed that writing off those regulatory assets will mitigate the Company's overearning situation.

NOW THE COMMISSION, having considered the matter, is of the opinion and finds that Staff's recommendations should be implemented. Accordingly,

IT IS ORDERED THAT:

(1) Southwestern shall write off its deferred rate case expenses from Case No. PUE950019.

(2) On or before January 24, 1997, Southwestern shall file with the Commission a report showing that the Company's deferred rate case expenses were written off.

(3) Southwestern shall forthwith implement Staff's booking recommendations.

(4) This case shall be continued until further order of the Commission.

CASE NO. PUE960037
JUNE 17, 1996

NOTIFICATION OF
AMVEST OIL & GAS, INC.

To furnish gas service pursuant to Va. Code § 56-265.4:5

ORDER DISMISSING PROCEEDING

On March 15, 1996, AMVEST Oil & Gas, Inc. ("AMVEST" or "the Company") notified the State Corporation Commission ("Commission") pursuant to Va. Code § 56-265.4:5 of its plans to furnish gas service to JRN, Inc. of Tennessee ("JRN"), a Tennessee corporation qualified to transact business in Virginia and engaged in the operation of a Kentucky Fried Chicken restaurant located in the Ridgeview Shopping Center in Wise, Virginia.

On April 12, 1996, the Commission entered an Order docketing the proceeding, notifying all public utilities providing gas service in the Commonwealth of the Company's plans to furnish gas service, and advising these utilities that within sixty days of the entry of that Order, they could file an application with the Commission to provide natural gas service within the area identified in the Company's notification documents. In the Order, the Commission found that JRN's facilities were not within an area for which a certificate of public convenience and necessity had been granted, and that as of the time of the Commission's receipt of the notice provided for by Virginia Code § 56-265.4:5, these facilities were not located within an area served by a municipal corporation that provided gas distribution service as of January 1, 1992.

Sixty days have elapsed since the entry of the April 12, 1996 Order, and no jurisdictional public utility has filed an application to provide natural gas service within the area identified in the captioned notification.

NOW THE COMMISSION, upon consideration of the foregoing, is of the opinion and finds that the Company has satisfied the requirements of Va. Code §§ 56-265.1(b)(4) and -265.4:5, and that nothing further remains to be done in this case.

Accordingly, IT IS ORDERED that this matter shall be dismissed from the Commission's docket of active proceedings, and the papers filed herein made a part of the Commission's files for ended causes.

CASE NO. PUE960045
APRIL 24, 1996

PETITION OF
INDIAN ACRES CLUB of THORNBURG, INC., et al.

For Injunctive Relief

ORDER DENYING PETITION AND DISMISSING

On April 1, 1996, the Indian Acres Club of Thornburg, Inc. ("IACT") and 51 owners of lots in the Indian Acres recreational community (collectively, "Petitioners") filed a petition seeking an injunction against Po River Water & Sewer Company ("Po" or "Company") restraining the Company from terminating utility service to IACT-owned facilities in Indian Acres. Responses to the petition were filed on or about April 12, 1996, by the Commission Staff and Po.

NOW THE COMMISSION, having considered the pleadings and the applicable statutes and rules, is of the opinion that the Petition should be denied. IACT and Po are presently engaged in a civil action before the Spotsylvania Circuit Court, which previously issued a temporary injunction in favor of IACT identical to the relief sought. Further, the Commission stated, in Rachel Crowe, et al. v. Po River Water & Sewer Company and Indian Acres Club of Thornburg, Inc., Case No. PUE940014 (Dismissal Order, March 27, 1995), an action involving many of the petitioning and responding parties here that:

> Whether an individual is a customer of Po for the purposes of collection of its bills is a matter properly addressed by the courts of Spotsylvania County. A utility may seek to prove that such a relationship exists through a showing of an application, by evidence of usage of the utility's facilities, by reference to recorded restrictions or declarations or through other proof. Those issues, however, as they relate to whether a customer relationship exists for the purpose of collection of bills, must be decided by the Circuit Court.
>
> Once a customer relationship is established, many, if not all, of the terms and conditions of the service that Po may render to its customer are regulated by tariffs on file with the Commission, which has exclusive jurisdiction to amend and enforce those tariffs. These terms and conditions include the prices Po must charge, its classes of customers, the conditions under which Po must render service, the type of services it may provide and the terms and conditions under which the customer relationship may be terminated.
>
> While the Commission has broad authority, it is clear that it is the Circuit Court that must determine whether an individual is a customer of Po for the purpose of collection of Po's bills.

The issue that Petitioners attempt to put before the Commission is whether IACT is a customer of Po for the purpose of collection of Po's bills. That precise matter is also, and properly, before the Spotsylvania Circuit Court. The matter of whether Po may establish a customer class of which IACT may be a member, as well as the terms and conditions of the utility service Po may render to its customers, including terms and conditions for termination

of service, is pending before the Commission in Case No. PUE950091 and will be heard by Hearing Examiner on June 20, 1996. The rates currently charged by Po to IACT are interim rates approved, subject to refund, in that action. Accordingly, IT IS ORDERED:

(1) That the Petition for Injunctive Relief is denied; and

(2) There being nothing further to come before the Commission, this matter is dismissed and the papers transferred to the file for ended causes.

CASE NO. PUE960045
MAY 9, 1996

PETITION OF
INDIAN ACRES CLUB OF THORNBURG, INC., et al.

For Injunctive Relief

ORDER DENYING PETITION FOR RECONSIDERATION

In its petition of April 1, 1996, Indian Acres Club of Thornburg, et al. ("IACT") requested the Commission enter an order temporarily enjoining Po River Water & Sewer Company ("Po") from "terminating water and sewer utility service to the common facilities titled to IACT." On April 24, 1996, the Commission entered its Order Denying Petition and Dismissing the petition of IACT. On May 2, 1996, IACT filed its Petition for Reconsideration asserting that the Commission should enter the requested injunction because interim rates it is being charged by Po are too high. That matter is before the Commission in Case No. PUE950091 and will be heard by the Hearing Examiner on June 20, 1996. Questions about the proper level of rates will be resolved in that proceeding. Any rates determined to be excessive will be ordered refunded. Accordingly, IT IS ORDERED that:

(1) The Petition for Reconsideration is denied; and

(2) There being nothing further to come before the Commission, this matter is dismissed and the papers transferred to the file for ended causes.

CASE NO. PUE960046
MAY 13, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
O. B. COLLINS, STEVE COUSIN, MARSHALL MONTGOMERY, KENNETH MARTIN,
VERNON WEASONFORTH AND DR. RICHARD CARCHMAN,
Complainants
v.
VIRGINIA ELECTRIC AND POWER COMPANY,
Defendant

ORDER GRANTING MOTION TO DISMISS

On April 9, 1996, O.B. Collins and six other individuals[1] (collectively, "Petitioners") filed their complaint against Virginia Electric and Power Company ("Virgina Power" or "Company"), requesting the Commission to initiate an investigation into whether "the decision of the Company to reject from consideration the Consolidation Coal contract and to cease negotiating with Consol was in the public interest; the contract negotiated in lieu thereof with MAPCO Coal[2] is in the public interest; and, the Company should be Ordered to reopen negotiation for its ten year fuels requirement contract(s) for the Mount Storm generating units."

Pursuant to Commission order dated April 12, 1996, Virginia Power filed its response to the petition in the form of a Motion to Dismiss on April 26, 1996, and Petitioners filed their response on May 8, 1996, and the matter is ripe for decision.

NOW THE COMMISSION, having considered the pleadings, as well as the applicable statutes and rules, is of the opinion that the Motion to Dismiss should be granted. The subject matter contained in the petition is the same as contained in the petition filed by the United Mine Workers of America and disposed of by the Commission's Order Granting Motion to Dismiss and Denying Request for Oral Argument dated February 7, 1996, in Case No. PUE950121. The Commission is of the opinion and finds that it has jurisdiction to initiate an investigative proceeding under its Rules of Practice and Procedure but nothing in the pleadings convinces us that immediate investigation into the Company's selection of its coal supplier is warranted. Costs incurred by Virginia Power under the contracts at issue here will be subject to thorough review in other proceedings.

Accordingly, IT IS ORDERED:

(1) That the Motion to Dismiss be, and hereby is, granted; and

(2) That, there being nothing further to come before the Commission, this matter is dismissed and the papers transferred to the file for ended causes.

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[1] Petitioner Steve Durst was granted permission to withdraw by order entered April 24, 1996.

[2] Both Consolidation Coal ("Consol") and MAPCO Coal produce steam coal for use by Virginia Power at its generating facilities in West Virginia.

CASE NO. PUE960057
MAY 31, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte, In re: Investigation of Evergreen Water Corporation

ORDER GRANTING PETITION AND APPOINTING AN EXAMINER

By petition filed on April 23, 1996, the Staff of the State Corporation Commission, by its counsel, requested that the Commission initiate an investigation of Evergreen Water Corporation ("Evergreen" or "the Company") pursuant to Va. Code § 56-234.4 and that such investigation should include an evaluation of any need for rate relief. In an answer filed by Evergreen on May 15, 1996, and a reply filed by Staff on May 28, 1996, both Staff and the Company agree that such an investigation should be initiated.

NOW THE COMMISSION, having considered the above referenced pleadings, is of the opinion and finds that Staff's petition should be granted and that a Hearing Examiner should be appointed to conduct all further proceedings in this matter. Accordingly,

IT IS ORDERED THAT:

(1) Staff's petition requesting that an investigation be initiated pursuant to Va. Code § 56-234.4 be, and hereby is, granted; the scope of that investigation shall include an evaluation as to the need for rate relief as well as other aspects of the investigation requested by Staff. Should the investigation reveal a potential need for rate relief for Evergreen, a further procedural order may be issued.

(2) Pursuant to Rule 7:1 of the Commission's Rules of Practice and Procedure a Hearing Examiner is appointed to conduct all further proceedings in this matter.

CASE NO. PUE960065
JUNE 28, 1996

APPLICATION OF
DELMARVA POWER & LIGHT COMPANY

To revise its fuel factor pursuant to Virginia Code § 56-249.6

ORDER ESTABLISHING 1996/97 FUEL FACTOR

On May 2, 1996, Delmarva Power & Light Company ("Delmarva" or "the Company") filed with the Commission written testimony, exhibits, and proposed tariffs intended to increase its zero-based fuel factor from 1.712¢/kWh to 2.013¢/kWh effective with the billing month of July 1996, without proration. The Company also proposed an interim ratemaking treatment for the net replacement costs incurred as a result of its present Salem nuclear outages. The proposed treatment is that (a) the Commission defer consideration of the outages until a later date when additional information is available, and (b) as an interim ratemaking treatment, the Commission permit Delmarva to include 50% of the estimated net replacement power costs associated with the present Salem nuclear outages in the calculation of the 1996/97 fuel rate.

By order dated May 20, 1996, 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 on the reasonableness of Delmarva's application and provided an opportunity for any person desiring to participate in the hearing to do so as a protestant. No notice of protest or protest was received in this proceeding.

On June 21, 1996, Commission Staff filed its testimony finding that Delmarva had complied with the Commission's standards for evaluating fuel cost projections of electric utilities and that the Company's proposed estimates and projections were reasonable. In addition, Staff did not object to the Company's proposed interim treatment of the net replacement power costs associated with the Salem nuclear outages, provided that final treatment of such costs is determined in a later proceeding after Staff's investigation of the outages. Accordingly, Staff recommended approval of the proposed fuel factor.

On June 26, 1996, Delmarva filed a letter stating that no rebuttal testimony would be filed, as there were no issues between the Company and Commission Staff. Attached to the letter was the Company's proof of service. The hearing of this case was held on June 27, 1996. As there were no issues remaining between Delmarva and Commission Staff, the Company's application, testimony, and exhibits, as well as Staff's testimony 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 that an increase in the Company's zero-based fuel factor from 1.712¢/kWh to 2.013¢/kWh is appropriate and that the Company's proposed interim ratemaking treatment for the net replacement power costs incurred as a result of its present Salem nuclear plant outages should be accepted. Final treatment of the net replacement power costs will be determined in a later proceeding after Staff's investigation of the outages.

Approval of this factor, which includes 50% of the estimated net replacement power costs associated with the nuclear outages, is not to be construed as approval of the Company's actual fuel expenses. For each calendar year, Commission Staff conducts an audit and investigation that addresses, among other things, the appropriateness and reasonableness of the Company's booked fuel expenses. Staff's results are documented in an annual report ("Staff's Annual Report"). A copy of Staff's Annual Report is sent to the Company and to each party who participated in the Company's fuel factor proceeding, all of whom are provided an opportunity to request a hearing on the report. Based on Staff's Annual Report and any comments received or hearing held, the Commission would enter an order entitled "Final Audit for twelve-month period ending December 31, 199__, Fuel Cost-Recovery

Position" ("Final Audit Order"). Notwithstanding any findings made by the Commission in an earlier order establishing the Company's fuel factor based on estimates of future expenses and unaudited booked expenses, the Final Audit Order will be the final determination of not only what are in fact allowable fuel expenses and credits, but also the Company's over or underrecovery position as of the end of the audit period. Should the Commission find in its Final Audit Order (1) that any component of the Company's actual fuel expenses or credits has been inappropriately included or excluded, or (2) that the Company has failed to make every reasonable effort to minimize fuel costs or has made decisions resulting in unreasonable fuel costs, the Company's recovery position will be adjusted. This adjustment will be reflected in the recovery position at the time of the Company's next fuel factor proceeding. We reiterate that no finding in this order is final and this matter is continued generally, pending Staff's audit of actual fuel expenses. Accordingly,

IT IS ORDERED THAT:

(1) A zero-based fuel factor of 2.013¢/kWh is hereby approved effective with the billing month of July 1996, without proration.

(2) The net replacement power costs incurred as a result of Delmarva's Salem nuclear plant outages be treated as discussed herein.

(3) This case is continued generally.

CASE NO. PUE960068
DECEMBER 12, 1996

APPLICATION OF
SHENANDOAH GAS COMPANY

Annual Informational Filing

ORDER ADOPTING RECOMMENDATION

By order entered on June 14, 1996, the Commission granted Shenandoah Gas Company's ("Shenandoah" or "the Company") request to defer the filing of its 1995 Annual Informational Filing ("AIF") until seventy-five days after the entry of its final order in Case No. PUE950058, or until August 14, 1996. Consistent with that order, the Company filed that AIF on that date.

On November 14, 1996, the Commission Staff filed its Report stating that Shenandoah was willing to write-off the September 30, 1996 balance of a regulatory asset for its Other Post Employment Benefits ("OPEB") implementation deferral to remedy the Company's overearnings position on a per books earning test basis. As noted such actions would reduce Shenandoah's calculated per books return on equity to 12.70% which is still above the Company's currently authorized range of return on equity. Staff, however, recommended that the Commission approve such write-off as an acceptable solution to the Company's overearnings position. On a fully adjusted basis, Staff's report indicated Shenandoah is earning 9.96% on equity, which is below the currently authorized range.

In a November 6, 1996 letter to the Director of the Commission's Division of Public Utility Accounting, Shenandoah confirmed that it was willing to write-off that the September 30, 1996 balance of OPEB implementation deferral, or $135,043.64, which is allocable to its Virginia jurisdiction.

NOW THE COMMISSION, having considered the matter, is of the opinion and finds that Shenandoah's offer, as described above, should be accepted and that, upon the Company's filing proof of same, this matter should be closed. Accordingly,

IT IS ORDERED THAT:

(1) Shenandoah's offer is hereby accepted and approved.

(2) Shenandoah is directed to write-off $135,043.64 of regulatory assets associated with OPEB implementation deferral.

(3) This matter shall remain open for the receipt of Shenandoah's proof of compliance with paragraph 2 above.

CASE NO. PUE960071
AUGUST 9, 1996

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For a certificate of public convenience and necessity authorizing construction and operation of transmission lines and facilities in the City of Alexandria: Jefferson Street-Glebe and Ox-Glebe 230 kV Transmission Lines, Phase 2-Potomac Yards Circuit Transmission Line Underground Installation

FINAL ORDER

On May 16, 1996, Virginia Electric and Power Company ("Virginia Power" or "the Company") filed an application with the Commission for a certificate of public convenience and necessity. In this project, Virginia Power proposes to install underground 13,000 feet of double circuit 230 kV transmission line to replace a 12,800 foot section of the existing Jefferson Street-Glebe/Ox-Glebe overhead transmission line in the northeastern part of the City of Alexandria ("City" or "Alexandria").

By Order dated June 4, 1996, the Commission docketed this proceeding and directed the Company to give notice of the application by newspaper publication and by serving copies of the order on local governmental officials. By its transmittal letter dated July 16, 1996, Virginia Power filed proof of newspaper publication, together with an affidavit of service of copies of the order on local officials, the Department of Environmental Quality, and the Office of Grants Management and Intergovernmental Affairs.

In the Commission's June 4, 1996 Order and the published notice, all interested persons were directed to request a formal hearing or to file any other comments on or before July 19, 1996. No requests for hearing or comments opposing the Company's application were filed. Consequently, the Commission finds that, after appropriate public notice, no interested person requested an ore tenus hearing in this proceeding. Further, no comments were received from interested persons which would lead the Commission to order a formal hearing on its own accord.

The Commission Staff ("Staff") reviewed Virginia Power's application and contacted the Virginia Department of Environmental Quality ("DEQ") to request any comments that the agency or any other state environmental agencies might have regarding the application. In response to this request, DEQ provided comments dated July 10, 1996.

On July 31, 1996, the Staff filed its Report. Copies of correspondence and reports related to the project from DEQ were attached to the Report. The Staff noted that DEQ has "determined that the proposed transmission line removal and underground installation should not have a significant impact on natural resources, provided that Virginia Power considers the information [submitted by DEQ] and follows the recommendations provided [by various agencies]."

In addition, the Staff Report took no position on whether the cost of the undergrounding project should be recovered through Virginia Power's rates. Staff reserved the right to examine the recovery of these costs at a later date.

On August 5, 1996, Virginia Power, by counsel, filed a letter in the proceeding stating that Virginia Power had reviewed the Report and concurred with it. Counsel for Virginia Power represented to Staff counsel that Virginia Power is committed to following the recommendations provided by DEQ in its planning, construction, and operation of the proposed transmission line.

Upon consideration of Virginia Power's application and the Staff Report, the Commission finds that there is a need for the proposed facility. According to Virginia Power's application, the proposed undergrounding of the line is a vital part of the Northern Division transmission network. It provides a firm source of power to the City of Alexandria, Arlington County, Falls Church, the Pentagon, and the northern portion of Fairfax County. If the portions of these two circuits were removed and not replaced, the Company anticipates outages resulting from voltage problems, and overloaded conditions may occur. The Company maintains that no feasible alternative location for the relocation of the line has been found with the exception of the proposed route. The application states that the proposed underground transmission line relocation affords the best means of meeting the need for capacity and reliability, while minimizing the impact on the area and allowing for the development of Potomac Yards.

Virginia Power represents that there are no existing easements for the proposed line, and that an 8-foot wide transmission easement will be required for the entire route of the underground project. Most of the route will be on either City of Alexandria, Washington Metropolitan Area Transit Authority, or Richmond, Fredericksburg & Potomac Railroad ("RF&P") property. In a 1969 right-of-way agreement with RF&P, Virginia Power agreed to relocate this overhead line upon notice from RF&P that the line would interfere with development of the Potomac Yards property. RF&P has notified the Company that relocation of the line is necessary to avoid interference with RF&P's retail, warehouse, and residential development. Because the line will be installed under existing streets, trails, and open undeveloped property, no clearing will be necessary.

Upon consideration of the documents before it, the Commission finds that the proposed underground double circuit 230 kV transmission line does not appear to have a substantial adverse environmental impact. We note that Virginia Power has committed to following the recommendations provided by the Department of Environmental Quality in its planning, construction, and operation of the proposed transmission line.

In conclusion, the Commission finds that an amended certificate of public convenience and necessity to construct and operate the proposed double circuit 230 kV underground transmission line should be issued to Virginia Power. Our approval of the Company's project does not constitute authorization for Virginia Power to recover the cost of its construction project in rates. The Company remains subject to the burden of proof articulated in Va. Code § 56-234.3, and other statutes in Title 56 of the Virginia Code.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Va. Code § 56-265.2, this application be granted.

(2) The authority granted herein does not relieve Virginia Power from complying with Va. Code § 56-234.3 which provides that the Company "shall have the burden of proving that . . . [the cost of any capital project] was incurred through reasonable, proper and efficient practices", and with other applicable statutes.

(3) Virginia Power shall be issued an amended certificate that the public convenience and necessity requires exercise of the right or privilege to construct underground 13,000 feet of double circuit 230 kV transmission line to replace a 12,800 foot section of the existing Jefferson Street-Glebe/Ox-Glebe overhead transmission line and operate same in the northeastern part of the City of Alexandria.

(4) Virginia Power shall be issued an amended certificate of public convenience and necessity as follows:

> Certificate No. ET-79hh to operate present transmission lines and facilities in the City of Alexandria, the City of Falls Church, County of Arlington, and the County of Fairfax and to construct and operate the proposed underground 13,000 foot section of double circuit 230 kV transmission line in the City of Alexandria as shown on the map attached thereto. Certificate No. ET-79hh is to supersede Certificate No. ET-79gg, issued on April 1, 1996.

(5) This case is dismissed from the Commission's docket of active proceedings, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. PUE960092
NOVEMBER 18, 1996

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For a Certificate of Public Convenience and Necessity Pursuant to Va. Code § 56-265.2

and

JOINT APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY,
RICHMOND POWER ENTERPRISE, L.P., and
ENRON POWER MARKETING, INC.

For authority to enter into a purchased power contract without competitive bidding

FINAL ORDER

On June 7, 1996, Virginia Electric and Power Company ("Virginia Power" or "Company") filed two applications, along with their supporting documents, requesting the Commission, i.) to grant a certificate of public convenience and necessity for the Company's purchase of a generating facility[1] and related properties ("Facility") from Richmond Power Enterprise, L.P. ("RPE") and, ii.) for authority to enter into a purchased power contract with RPE and Enron Power Marketing, Inc. ("EPMI"),[2] and for a waiver of the Commission's Bidding Rules[3] for purchases of capacity as to said contract. The Company also requested permission to charge these capacity payments to FERC Account 555, subject to the capacity deferral mechanism.

The transactions described in the two applications are interdependent parts of a settlement of disputed issues arising from a 25-year power purchase and operating agreement ("PPOA") between Virginia Power and RPE entered into by the Company and RPE's predecessor in interest, SJE Cogeneration Company, Inc., on June 13, 1987. Pursuant to the PPOA, RPE sells and Virginia Power purchases the entire electrical capacity and energy output from the Facility.

The Applicants propose that to settle the matter Virginia Power would purchase the Facility and that the PPOA would be amended to reduce capacity payments, shorten the term of the agreement, and provide for certain sales of capacity and energy by RPE's assignee, EPMI, to Virginia Power from sources outside Virginia Power's service territory, rather than from the Facility. Virginia Power represented in the application that implementation of the proposed arrangement would, over the life of the current PPOA, result in savings having a net present value of $63 million.

By previous order, the Commission required public notice to be made of the applications, invited comments and requests for public hearing from interested persons, and directed its Staff to investigate the application and file any reports, testimony or exhibits it intended to offer. On August 21, 1996, the City of Richmond ("City") filed its Comments and Request for Additional Procedures. The City did not request a public hearing, but only "additional procedures necessary to permit a full investigation of the Application." The Applicants filed a response to the City's request on September 9, 1996, in which they contended that it was "unnecessary, and indeed inappropriate, for the Commission to adopt additional procedures in this matter." The Staff filed its testimony and exhibits on October 8, 1996.

NOW THE COMMISSION, having considered the application, the pleadings, the Staff testimony, as well as the applicable statutes and rules, is of the opinion that the public convenience and necessity require the issuance of the requested certificate authorizing the purchase by Virginia Power of the Facility. Further, the Commission is of the opinion that good cause has been demonstrated to approve the request to enter into the amended PPOA without competitive bidding and will therefore grant a waiver of the Bidding Rules. The Commission does not find it necessary to establish any "additional procedures," as suggested by the City, to further its investigation into the request for the certificate transferring control of the Facility from RPE to Virginia Power. The Staff did not indicate any interference with or inhibition of its investigation into requested certificate authority, and no party raised any objection to the Company's request to waive the Bidding Rules. Many of the concerns raised by the City deal with interpretation of certain provisions of a contract between the City and RPE, with the City expressing reservations about Virginia Power's possible exercise of rights under that contract as RPE's successor. Virginia Power suggests the Commission is without authority to take the action suggested by the City. The Commission hereby expresses no position as to its authority over these questions because, in any event, they are not ripe for review. If Virginia Power succeeds RPE's interest in the contract, a matter over which the City has some control, and if its operation of the Facility or its exercise of any rights under the contract adversely affects the City's interests, the City is free to file a complaint against Virginia Power and the matter of the Commission's jurisdiction can be addressed at that time. But at this point, the Commission sees no reason to refrain from acting on the applications.

The Commission Staff recommends that the requested authorities be granted. Staff witness Lamm's testimony states Staff's belief that "it is reasonable to conclude that under Virginia Power's proposal, costs will be significantly reduced and that the Company's estimate of the general magnitude of such cost savings is also reasonable." These savings are largely the result of Virginia Power's reduction of its capacity purchase obligation under the amended PPOA. The capacity savings more than offset the ownership costs of the plant. Staff witness Eichenlaub expresses Staff's opinion that "the instant application be granted a waiver under Section IX of the Bidding Rules. The proposed transaction, compared to the existing contract, benefits the utility and its ratepayers. The [applicants] resolve a controversial contract, mitigate costs and pass on capacity savings to customers. Staff believes such an exemption is warranted and the proposed opportunity could not be accommodated within a competitive bidding process." Finally, Staff witness Dalton notes that the requested transfer of the Facility requires Commission approval under Chapter 5 of Title 56 of the Code of Virginia, the Utility Transfers Act, and recommends approving the application. He also notes that the capacity payments under the revised PPOA will, unless the Commission directs

[1] The unit produces approximately 250 MW of capacity and is a gas-fired combined cycle cogeneration type. It is located near Richmond, Virginia, in the Company's service territory.

[2] Collectively, Virginia Power, RPE and EPMI will be referred to as "Applicants."

[3] Established by Commission order, dated November 28, 1990, in Case No. PUE900029.

another result, "automatically be charged to FERC Account 555 and, therefore, would be subject to the capacity deferral mechanism. . .." He recommends approving the requested accounting method. The Commission will adopt each of Staff's recommendations. As is usual in these cases, none of the authorities granted herein will have any ratemaking effect.

Accordingly, IT IS ORDERED that:

(1) Virginia Power be granted a Certificate of Public Convenience and Necessity, No. EG-103, to purchase the Facility from RPE;

(2) Virginia Power is authorized to enter into the amended PPOA without subjecting the contract to the Bidding Rules;

(3) Virginia Power is directed to charge capacity payments made pursuant to the amended PPOA to FERC Account 555, subject to the capacity deferral mechanism;

(4) Virginia Power is granted authority under the Utility Transfers Act to consummate the transfer of the Facility; and

(5) The approvals granted herein shall have no ratemaking implications.

CASE NO. PUE960095
NOVEMBER 7, 1996

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY
and
COMMONWEALTH GAS SERVICES, INC.

For amendment of certificates of public convenience and necessity pursuant to the Utility Facilities Act

FINAL ORDER

On June 14, 1996, Washington Gas Light Company ("WGL") and Commonwealth Gas Services, Inc. ("Services" or "CGS") (hereafter collectively referred to as "the Companies") filed a joint application with the State Corporation Commission ("Commission") requesting an amendment of the Companies' respective certificates of public convenience and necessity in Prince William County, Virginia. In support of their joint application, WGL and Services stated that they have had continuing discussions under the active supervision of the Commission Staff to facilitate the provision of efficient gas service in Prince William County. The application requests authority for WGL to provide natural gas service in the territory west of State Route 15 and north of Interstate 66 which is currently certificated to CGS, including a portion of the tract of land designated "Kettler & Scott" and the tract adjacent thereto designated "N.V. Homes".

Services requests authority in the application to provide natural gas service to the territory north of Little Bull Run which is currently certificated to WGL, including portions of the tracts designated as the "Shell Property", the "Smith Farm", the "Melbourne" tract and all of the tract designated at the "Marsh Farm".

On July 16, 1996, the Commission entered an Order for Notice wherein it docketed the application, directed the Company to publish notice of its application in the areas affected by the application, invited the public to file written comments or requests for hearing by September 16, 1996, and required the Staff to file a report on the application. No comments or requests for hearing were filed.

On September 20, 1996, WGL, by counsel, filed proof of publication on behalf of itself and CGS.

On October 1, 1996, the Staff filed its report in the captioned matter. In its report, the Staff concluded that the realignment of the Companies' service territories would promote the development of efficient and economic gas service in the affected areas by allowing one company to serve an entire tract from existing facilities. It stated that it did not object to the proposed realignment of service territories and recommended that the Commission grant the joint application. It observed that CGS' Certificate of Public Convenience and Necessity No. G-37f was canceled on December 20, 1991, and that the correct certificate to be amended for Services was Certificate of Public Convenience and Necessity No. G-37h.

The Companies, by their respective counsel, have advised counsel for the Staff that they support the conclusions reached by Staff in its report. They noted that no further action was necessary before the matter was considered by the Commission. WGL and Services advised that they have provided copies of their revised certificate maps to the Staff.

NOW THE COMMISSION, having considered the application, the pleadings, the Staff Report, and the applicable statutes, is of the opinion and finds that it is in the public interest for WGL's Certificate of Public Convenience No. G-51i to be canceled, and that amended Certificate of Public Convenience and Necessity No. G-51j should be issued to WGL to authorize it to serve the areas it has requested to serve identified in the joint application; that it is in the public interest to cancel CGS' Certificate of Public Convenience and Necessity No. G-37h and issue amended Certificate of Public Convenience and Necessity No. G-37i to CGS; and that this matter should be dismissed.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Va. Code § 56-265.2, Washington Gas Light Company shall be granted a Certificate of Public Convenience and Necessity for the construction and operation of the utility facilities to provide natural gas service to the areas identified in the joint application, requested to be served by WGL.

(2) Pursuant to Va. Code § 56-265.2 and -265.3, Certificate of Public Convenience and Necessity No. G-51i issued to WGL shall be canceled and Washington Gas Light Company shall be issued a Certificate of Public Convenience and Necessity as follows:

> Certificate No. G-51j, for Prince William County, authorizing Washington Gas Light Company to furnish gas service in the territory located in Prince William County, west of State Route 15 and north of Interstate 66, which includes tracts of land designated as Kettler and Scott and N.V. Homes, and also the locations listed on the Utility Facilities Map 1, which areas were granted to the Company in previous certificate cases for territory in Prince William County, Virginia.

(3) Pursuant to Va. Code § 56-265.2, Commonwealth Gas Services, Inc. shall be granted a Certificate of Public Convenience and Necessity for the construction and operation of the utility facilities to provide natural gas service to the areas identified in the joint application, requested to be served by Commonwealth Gas Services, Inc.

(4) Pursuant to Va. Code §§ 56-265.2 and -265.3, Certificate of Public Convenience and Necessity No. G-37h, authorizing Services to provide gas service in portions of Prince William County shall be canceled, and Commonwealth Gas Services, Inc. shall be issued a Certificate of Public Convenience and Necessity as follows:

> Certificate No. G-37i, for Prince William County, authorizing Commonwealth Gas Services, Inc. to furnish gas service in the territory located in Prince William County, north of Little Bull Run which includes tracts of land designated as Shell Property, Smith Farm, Melbourne, and Marsh Farm, as outlined in red and highlighted in yellow on the attached map.

(5) 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.

(6) This case shall be dismissed from the Commission's docket of active proceedings, and the documents filed herein placed in the Commission's file for ended causes.

CASE NO. PUE960096
OCTOBER 29, 1996

APPLICATION OF
THE POTOMAC EDISON COMPANY

Annual Informational Filing

ORDER GRANTING MOTION TO ACCEPT AGREEMENT AND JOINT RECOMMENDATION

In a Motion filed on October 28, 1996, the Commission Staff, by counsel, requests that the Commission accept the draft Agreement and Joint Recommendation ("the Agreement") attached thereto. In support of the Motion, Staff states that the Agreement is consistent with the recommendation detailed in a Staff Report filed that same day. In that Report, Staff states that The Potomac Edison Company ("Potomac Edison" or "the Company") proposes to reduce its Virginia jurisdiction rates by $1.2 million effective for service rendered on and after November 1, 1996 and that such reduction will bring Potomac Edison's return on equity within its currently authorized range.

Staff notes that counsel for the Company represents that the Company wishes to join in the Motion.

NOW THE COMMISSION, having considered the Company's application, Staff's Report, and the Motion referenced herein, is of the opinion that the above described Motion should be granted as the Agreement, that is the subject of that Motion, is in the public interest. Accordingly,

IT IS ORDERED THAT:

(1) The Agreement and Joint Recommendation attached hereto be and hereby is accepted, and the Company is directed to implement new rates to accomplish the $1.2 million decrease effective for service rendered on and after November 1, 1996.

(2) There being nothing further to be done in this matter, it be, and hereby is, dismissed from the Commission's docket of active cases.

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

CASE NO. PUE960099
DECEMBER 5, 1996

APPLICATION OF
APPALACHIAN POWER COMPANY

For approval of electrical facilities under § 56-45:1 of the Code of Virginia and for certification of such facilities under the Utilities Facilities Act

ORDER GRANTING CERTIFICATE

Before the Commission is Appalachian Power Company's ("Appalachian" or "the Company") application for a certificate of public convenience and necessity to replace the Virginia portion of an existing double-circuit 138 kV transmission line connecting the Company's East Danville Station with Carolina Power & Light Company's ("CP&L") Roxboro Station, Roxboro, North Carolina, with a double-circuit 230 kV transmission line ("the Project"). The application states that the Project would be operated at 230 kV and would use the right-of-way corridor of the existing line for its entire length in Virginia.

By order dated July 22, 1996, the Commission docketed this proceeding and directed the Company to give notice of its application by newspaper publication and by serving copies of the order on local government officials. On September 4, 1996, Appalachian filed proof of newspaper publication and an affidavit of service of copies of the order on the required government officials. The Commission finds that proper notice as required by Virginia Code § 56-265.2 was given.

On August 6, 1996, Appalachian filed a copy of a resolution of the City Council of Danville, Virginia supporting the project. By letter dated August 23, 1996, John E. Chaney requested a public hearing. Mr. Chaney stated that he was not predisposed to oppose the upgrade but wanted more information regarding the project. On September 18, 1996, Mr. Chaney withdrew his request for a public hearing, stating that he had received sufficient information from Appalachian and had done sufficient personal research to satisfy his concerns. No other comments or requests for hearing were filed in this matter.

The Commission Staff ("Staff") reviewed Appalachian's application and contacted the Virginia Department of Environmental Quality ("DEQ") to request any comments that the agency or any other state environmental agencies might have regarding the application. In response to Staff's request, the DEQ provided comments dated October 10, 1996.

On October 11, 1996, the Staff filed with the Clerk of the Commission a report of its investigation ("Staff Report") and provided copies to Appalachian. Copies of correspondence related to the Project from the DEQ were attached to the Staff Report. Staff notes that the DEQ "find[s] no significant problems with the proposed East Danville-Roxboro 230 kV transmission line project." The DEQ notes, however, that "approvals as specified within [its] letter will be necessary prior to project commencement."

Upon consideration of Appalachian's application and the Staff Report, the Commission finds that there is a need for the proposed facility. Appalachian does not have any generation resources in the Martinsville-Danville area. Consequently, the area load requirements are met by the transmission facilities which connect to Appalachian's Central and Northern Regions. The transmission facilities serving this area include a radial 765 kV circuit from the Jacksons Ferry Substation to the Axton Substation and four 138 kV circuits. Additionally, the area has two 138 kV interconnections with CP&L and one 138 kV connection with Duke Power. The CP&L interconnections provide only limited support to the area due to the fact that they are long lines and connect to the periphery of the CP&L system. Appalachian's load flow studies based on computer simulation models of the projected 1998 summer peak conditions indicate that the Company's existing transmission system will not meet minimum reliability levels for the projected 1998 summer conditions. The Staff Report states that the proposed project is the only practical and economical alternative to meet the needs of the Martinsville-Danville area.

Upon consideration of the material before it, the Commission finds that the Virginia portion of the proposed 230 kV transmission line does not appear to have a substantial adverse environmental impact and that a certificate of public convenience and necessity to construct and operate the Virginia portion of the proposed double-circuit 230 kV line should be issued to Appalachian. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to Virginia Code § 56-265.2 and related provisions of Title 56 of the Code of Virginia, this application is granted.

(2) Appalachian be issued an amended certificate that the public convenience and necessity require exercise of the right or privilege to construct the Virginia portion of a double-circuit 230 kV transmission line to replace the existing double-circuit 138 kV transmission line connecting the Company's East Danville Station with CP&L's Roxboro Station.

(3) Appalachian be issued an amended certificate of public convenience and necessity as follows:

> Certificate No. ET-42n to operate present electric transmission lines and facilities in Pittsylvania County, and to construct and operate the proposed double-circuit 230 kV transmission line all shown on map attached thereto.
>
> Certificate No. ET-42n is to supersede Certificate No. ET-42m, issued on December 19, 1994.

(4) This case be dismissed from the docket of active proceedings and the papers herein be placed in the file for ended causes.

CASE NO. PUE960127
DECEMBER 18, 1996

JOINT APPLICATION OF
POTOMAC ELECTRIC POWER COMPANY,
CONSTELLATION ENERGY CORPORATION,
and
BALTIMORE GAS & ELECTRIC COMPANY

For authority to dispose of and acquire utility assets pursuant to Va. Code §§ 56-89 and 56-90 and for a certificate of public convenience and necessity to acquire utility assets pursuant to Va. Code § 56-265.2

ORDER GRANTING AUTHORITY

Before the Commission is the application of Potomac Electric Power Company ("PEPCO"), Constellation Energy Corporation ("Constellation"), and Baltimore Gas & Electric Company ("BG&E") (collectively referred to as "the Companies") for authority to dispose of and acquire certain utility assets located in the Commonwealth of Virginia, and for the issuance of a certificate of public convenience and necessity for the acquisition of those utility assets located in the Commonwealth of Virginia. Pursuant to an Agreement and Plan of Merger dated September 22, 1995, PEPCO and BG&E intend to combine their operations with and merge into Constellation. Constellation will be the surviving corporation. The proposed disposition and acquisition of assets is intended to facilitate the merger of PEPCO and BG&E with and into Constellation. Upon approval of the joint application and issuance of a certificate to Constellation, Constellation would continue to operate the facilities as PEPCO has done in the past, and PEPCO would relinquish its certificate for the facilities.

PEPCO is a District of Columbia and Virginia public service corporation and provides electric service in the District of Columbia and Maryland. BG&E is a Maryland public service corporation and provides retail electric and gas services in Maryland. Constellation is a Maryland and Virginia public service corporation. Constellation will not provide retail electric or gas service in Virginia. The applicants seek authorization and approval for the disposition of all utility assets owned by PEPCO that are located in the Commonwealth of Virginia, and for acquisition of those assets by Constellation.

PEPCO owns a 480 MW generation facility on the Potomac River in the City of Alexandria, and related transmission facilities in Arlington County. PEPCO also owns a portion of a 500 kV transmission line in Prince William County running from Virginia Power's Possum Point substation to PEPCO's Birches substation in Maryland.

By order dated September 19, 1996, the Commission docketed this proceeding and directed PEPCO, Constellation, and BG&E to give notice of their application by newspaper publication. On October 11, 1996, the Companies filed proof of newspaper publication. No comments or requests for hearing were received concerning this application. The Commission finds that proper notice as required by Va. Code § 56-265.2 was given.

The Commission Staff ("Staff") reviewed the Companies' application and filed its report with the Clerk of the Commission on November 6, 1996. In its report Staff noted the rates and service for customers in the Commonwealth should not be affected, as PEPCO does not now, nor will the surviving corporation, Constellation, provide retail electric service in the Commonwealth. As such, the requested transfer meets the test for approval under the Utility Transfers Act, Va. Code § 56-88 et seq., that being that the transfer does not impair or jeopardize provision of adequate service to the public at just and reasonable rates. Staff further noted that the facilities at issue are currently being operated by PEPCO with all required operating and environmental licenses. Staff stated that upon approval of this application, PEPCO will transfer the necessary operating and environmental leases to Constellation, and Constellation would continue to operate the facilities as PEPCO has done in the past. Accordingly, Staff also recommended that upon notification of completion of the proposed merger, the Commission cancel PEPCO's certificate for the above-described facilities and grant certificates of public convenience and necessity to Constellation.

THE COMMISSION, upon consideration of the application and representation of the applicants and having been advised by its Staff, is of the opinion and finds that the above-described transfer will neither impair or jeopardize adequate service within the Commonwealth at just and reasonable rates and should be authorized. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to §§ 56-89 and 56-90 of the Code of Virginia, PEPCO, BG&E, and Constellation are granted authority to dispose of and acquire the utility facilities described herein.

(2) Within three (3) days of completion of the merger, Constellation shall file with the Commission's Division of Energy Regulation notification of such and sufficient copies of appropriate revised maps indicating the facilities' change of ownership so that revised certificates of public convenience and necessity may be issued.

(3) Within ten (10) days of the date of this order, PEPCO and Constellation shall confer with the Director, Public Service Taxation Division, on reporting of property and gross receipts for the two companies.

(4) This matter be, and it hereby is, dismissed from the Commission's docket and placed in the file for ended causes.

CASE NO. PUE960130
AUGUST 26, 1996

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For a temporary waiver of its tariff relating to its purchased gas adjustment terms and conditions

ORDER GRANTING REQUEST FOR SUSPENSION OF TARIFF

On August 23, 1996, Washington Gas Light Company ("WGL" or "the Company") filed an application with the State Corporation Commission ("the Commission") requesting authority to suspend Section D of General Service Provision ("GSP") No. 16 of its gas tariff on file with the Commission. In its application, the Company explained that the Actual Cost Adjustment ("ACA") provision, which is part of its purchased gas adjustment ("PGA") described in Section D of GSP No. 16, provides a mechanism for "truing up" the Company's actual purchased gas costs and collections from firm customer classes during the twelve month period ended August 31 of each year ("the ACA period"). Actual gas costs are compared to actual collections for each firm rate class. The Company stated that any over- or under-recovery of the ACA balance from one ACA period is included in the next ACA period. Paragraph 3 of Section D of GSP No. 16 requires that the annual over- or under-collection of purchased gas costs during each annual ACA period be spread over the estimated therm sales for each firm service customer class during the ensuing twelve months. Thus, any over- or under-recovery is reflected in the PGA for the twelve month period commencing December of each year.

WGL maintains that it has overcollected its purchased gas costs, including the over-recovery related to the prior period ACA balance amounting to $7,852,676, for the ACA period ended August 31, 1995. Based on projected sales volumes by class, these overcollections resulted in credits of 2.29¢, 1.65¢ and 2.41¢ per therm for sales made under Rate Schedule Nos. 1, 2 and 3, respectively, on and after December 1, 1995. Under GSP No. 16.D.3, these credits must be applied to all sales made under these firm rate schedules through November 30, 1996.

Due to higher sales levels than normal during the past winter, WGL has estimated that it will have refunded a total of $8,160,961, through its ACA credits on sales through August 31, 1996 alone. The Company, therefore, projects an over-refund of the ACA balance for the twelve months ended August 31, 1995, of approximately $308,285 on sales made through August 31, 1996. WGL asserts that continuation of the current ACA credits beyond August 31, 1996, will result in an even greater over-refund of the ACA balance for the twelve months ended August 31, 1995.

WGL represents that it will have undercollected its purchased gas costs during the ACA period ended August 31, 1996. It states that the projected ACA factors which will be effective December 1, 1996, will increase the factors applicable to the firm customer classes. It asserts that any over-refund related to the ACA balance for the period ended August 31, 1995, will only exacerbate these increases. WGL has therefore requested that the Commission suspend on a temporary basis, GSP No. 16.D.3 of its natural gas tariff and the associated current ACA credits effective for the billing period beginning September 1, 1996 through November 30, 1996.

NOW THE COMMISSION, upon consideration of the Company's request and having been advised by its Staff, is of the opinion and finds that this matter should be docketed and that the Company should be permitted to suspend the effect of its ACA credits for the period September 1 through November 30, 1996. Suspension of this credit should smooth-out any anticipated large prospective increases in customer gas costs. Accordingly,

IT IS ORDERED THAT:

(1) This matter is hereby docketed and assigned Case No. PUE960130.

(2) WGL is hereby authorized to suspend the natural gas ACA credits provided pursuant to Section D of GSP No. 16 for the period September 1, 1996 through November 30, 1996.

(3) There being nothing further to be done herein, this matter is dismissed from the Commission's docket of active proceedings, and the papers filed herein shall be made a part of the Commission's file for ended causes.

CASE NO. PUE960131
AUGUST 26, 1996

APPLICATION OF
SHENANDOAH GAS COMPANY

For a temporary waiver of its tariff relating to its purchased gas adjustment terms and conditions

ORDER GRANTING REQUEST FOR SUSPENSION OF TARIFF

On August 23, 1996, Shenandoah Gas Company ("Shenandoah" or "the Company") filed an application with the State Corporation Commission ("the Commission") requesting authority to suspend Section D of its General Service Provision ("GSP") No. 16 of its natural gas tariff. In its application, the Company states that GSP No. 16 sets out the terms and conditions of its purchased gas adjustment provision. The actual cost adjustment ("ACA") provision of the PGA found in Section D of GSP No. 16 provides a means for "truing up" the Company's actual purchased gas costs and collections from firm customer classes during the twelve month period ended August 31 of each year ("the ACA period"). Actual gas costs are compared to actual collections for each firm rate class. Any over- or under-recovery of the ACA balance from one ACA period is included in the next ACA period. Paragraph 3 of Section D provides that the annual over- or under-collection of purchased gas costs during each annual ACA must be spread over the estimated therm sales for each firm service customer class during the ensuing twelve months and will be reflected in the Purchased Gas Adjustment for twelve month period beginning December of each year.

For the ACA period ended August 31, 1995, Shenandoah's overcollection of its purchased gas costs, including the amounts related to an over-recovery of the prior period ACA balance, amounted to a total of $881,926. Based on projected sales volumes by class, these overcollections resulted in credits of 4.36¢ and 8.64¢ per therm to sales under Rate Schedules A and A-C and Rate Schedule B, respectively, on and after December 1, 1995. Under GSP No. 16D.3., these credits must be made applicable to all sales under the respective firm rate schedules through November 30, 1996.

Shenandoah represents that due to higher sales levels than normal during the past winter, it has determined that it has refunded a total of $1,137,533 through ACA credits on sales through August 31, 1996. It projects an over-refund of the ACA balance for the twelve months ended August 31, 1995, of approximately $255,607 on sales through August 31, 1996. Shenandoah maintains that it will have undercollected its purchased gas costs during the ACA period ended August 31, 1996, and that the projected ACA factors which will be effective December 1, 1996, will increase the PGA factors applicable to the firm customer classes. The Company states that any over-refund related to the ACA balance for the period ended August 31, 1995, will only exacerbate these increases. In order to minimize the over-refund, Shenandoah requests suspension of the current ACA credits.

NOW THE COMMISSION, upon consideration of the Company's request and having been advised by its Staff, is of the opinion and finds that this matter should be docketed and that the Company should be permitted to suspend its ACA credits for the period September 1 through November 30, 1996. Suspension of this credit will smooth-out any anticipated large prospective increases in gas costs for Shenandoah's customers.

Accordingly, IT IS ORDERED THAT:

(1) This matter is hereby docketed and assigned Case No. PUE960131.

(2) The Company is authorized to suspend the gas ACA credits provided pursuant to Section D of GSP No. 16 for the period September 1, 1996 through November 30, 1996.

(3) There being nothing further to be done herein, this matter is dismissed from the Commission's docket of active proceedings, and the papers filed herein shall be made a part of the Commission's file for ended causes.

CASE NO. PUE960187
OCTOBER 18, 1996

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For amendment of a certificate of public convenience and necessity pursuant to the Utility Facilities Act

FINAL ORDER

On September 9, 1996, Washington Gas Light Company ("WGL" or "the Company") filed an application with the State Corporation Commission ("Commission") requesting amendment of Certificate No. G-150, which authorizes the Company to provide natural gas service to certain customers located in Shenandoah County. In its application, WGL proposes to utilize its 4-inch gas pipeline located in Shenandoah County to provide firm gas transmission service to its wholly-owned subsidiary, Shenandoah Gas Company ("Shenandoah"), to enable Shenandoah to provide natural gas service in the Town of Woodstock, Virginia. The Company proposes to provide its firm transmission service under the terms of an existing service agreement between the Company and Shenandoah approved in Case No. PUA880021.

In its September 25, 1996 Order, the Commission docketed the matter, invited interested persons to file comments and requests for hearing on or before October 11, 1996, and directed the Staff to file a report on the application. No requests for hearing were filed. Shenandoah filed comments supporting WGL's application.

On October 2, 1996, WGL, by counsel, filed proof of the notice and service required by the Commission's September 25, 1996 Order Inviting Written Comments and Requests for Hearing.

On October 11, 1996, the Staff filed its report in the captioned matter. In its report, the Staff noted that WGL's interconnection with Columbia Gas Transmission Corporation ("Columbia") would alleviate the need for Shenandoah to construct an additional 4.1 miles of pipeline to interconnect directly with Columbia to be able to serve the Town of Woodstock. The report stated that WGL's 4-inch pipeline has sufficient capacity to serve the current and projected loads of both WGL and Shenandoah. It related that the Commission's Gas Pipeline Safety Staff had inspected Shenandoah's construction of the measuring and pressure regulating facilities on October 3, 1996, and noted no noncompliances with the Commission's Gas Pipeline Safety Standards. The Staff recommended that the Commission approve WGL's application.

In a letter dated October 11, 1996, WGL stated that it supported the conclusions set out in the Staff's report.

NOW, UPON CONSIDERATION of the Company's application, the Staff's report and the applicable statutes, the Commission is of the opinion and finds that WGL's application is in the public interest and that an amended certificate of public convenience and necessity should be granted.

Accordingly, IT IS ORDERED THAT:

(1) WGL's application shall be approved.

(2) WGL shall be issued an amended certificate of public convenience and necessity as follows:

> Certificate No. G-150a for Shenandoah County, authorizing Washington Gas Light Company to provide service to those landowners over whose properties its line will be laid to supply natural gas service as

originally authorized under Certificate No. G-150. The location of such line is shown on the attached map. In addition, Washington Gas Light Company is authorized to provide firm transmission service to Shenandoah Gas Company, through the 4-inch gas pipeline, shown on the attached map. Certificate No. G-150a will supersede Certificate No. G-150, issued on January 18, 1980.

(3) This case shall be dismissed from the docket of active proceedings, and the papers filed herein shall be placed in the Commission's files for ended causes.

CASE NO. PUE960225
NOVEMBER 22, 1996

APPLICATION OF
PRESIDENTIAL SERVICE & UTILITY COMPANY, INC.

For cancellation of certification of public convenience and necessity

ORDER CANCELING CERTIFICATE

By Order dated March 7, 1988, Presidential Service & Utility Company, Inc. ("the Company") was granted a certificate of public convenience and necessity (Certificate No. W-256) authorizing it to provide water service to approximately 63 customers in the Presidential Lakes Subdivision ("the Subdivision") of King George County, Virginia.

In a letter dated July 30, 1996, Richard F. Marilley, president of the Company, requested that the Commission cancel the above referenced certificate. In that letter Mr. Marilley referenced a previous sale of a portion of the Company's water system to the King George County Service Authority ("the Authority"); specifically, that portion which serves customers in Sections 1 through 13. Mr. Marilley also noted that the Company is currently serving less than 50 customers in the remaining section (Section 14) of that subdivision.

By letter dated September 10, 1996, the acting general manager of the Authority confirmed that the water system serving Section 1-13 had been transferred to the Authority in August of 1994.

In a November 4, 1996 filing, Staff noted that the Company is currently serving approximately 10 customers in Section 14 of the Subdivision and recommended that the Commission cancel the above referenced certificate.

NOW THE COMMISSION, having considered the Company's request, Staff's filing, and §§ 56-265.3 and 56-265.1 of the Code of Virginia, is of the opinion that Company's certificate should be canceled. Section 56-265.3 requires the Company to have a certificate to provide water service if it is a "public utility." The Company, however, pursuant to § 56-265.1, does not fall within the statutory definition of a "public utility," as it is currently providing water service to fewer than 50 customers. Accordingly,

IT IS ORDERED THAT:

(1) Certificate No. W-256 be, and hereby is, canceled.

(2) There being nothing further to be done, this matter be, and hereby is, dismissed from the Commission's docket of active cases and the papers placed in the file for ended causes.

CASE NO. PUE960227
OCTOBER 11, 1996

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For an expedited increase in gas rates

PRELIMINARY ORDER

On September 25, 1995, Virginia Natural Gas, Inc. ("VNG" or "the Company") filed a rate application, supporting testimony and exhibits for an expedited increase in its rates for natural gas service with the State Corporation Commission ("Commission"). The Company's proposed rates are designed to produce additional gross annual operating revenues of $13,899,092. VNG has filed adjusted operating and financial data for the twelve months ended June 30, 1996, in support of its application.

Section II of the Commission's Rules Governing Rate Increase Applications and Annual Informational Filings ("the rules") permits the rates of a public utility to take effect within thirty days after the application is filed, subject to refund, pending investigation, so long as the rate application complies with the rules and the utility has not experienced a substantial change in circumstances since its last rate case. VNG has requested that its proposed rates be permitted to take effect for service rendered on and after October 25, 1996, subject to refund, pursuant to Section II of the rules.

On October 10, 1996, the Commission's Staff filed an interim report, in which it concluded that there is a reasonable probability that the proposed increase will be justified following a full investigation and hearing.

NOW HAVING CONSIDERED the application filed by VNG, the applicable statutes, and having been advised by its Staff, the Commission finds that, based on the Company's expedited application, supporting testimony, and exhibits, there is a reasonable probability that the requested increase will be justified upon full investigation and hearing; that VNG should be allowed to implement its proposed rates and tariffs contained in Schedule 32 on an interim basis, subject to refund with interest; and that the application should be docketed and assigned Case No. PUE960227;

Accordingly, IT IS ORDERED THAT:

(1) The application filed by VNG on September 25, 1996, is hereby docketed and assigned Case No. PUE960227.

(2) An interim increase in rates and proposed tariff revisions designed to produce additional gross annual revenues of $13,899,092 shall be applied to service rendered on and after October 25, 1996. VNG's proposed tariff revisions and interim increase in rates shall remain subject to refund with interest until such time as the Commission has determined this case.

(3) That this matter be continued until further order of the Commission.

CASE NO. PUE960228
DECEMBER 16, 1996

PETITION OF
COMMONWEALTH GAS SERVICES, INC.

For a waiver of the moratorium on the addition of new customers under the Metered Propane Service Rate Schedule

ORDER GRANTING WAIVER

On October 4, 1996, Commonwealth Gas Services, Inc. ("Commonwealth" or "the Company") filed a Petition with the State Corporation Commission ("Commission"), requesting that the Commission grant approval to Commonwealth to add new customers under the Company's Metered Propane Service ("MPS") Rate Schedule. In its application, Commonwealth explained that it was required to seek the Commission's approval to add new customers to its Metered Propane Service ("MPS") under Paragraph 2.H. of the modified Stipulation and Recommendation adopted in Case No. PUE950033. Commonwealth's application states that the Company is unable to extend gas lines to Section I of the Hunt Ridge Townhomes located in Garrisonville, Virginia because of delays in a Virginia Department of Transportation ("VDOT") road construction project at the site. Commonwealth requests that the Commission grant a waiver of the moratorium on the addition of new MPS customers until such time as completion of the road construction project permits the Company to install the necessary facilities to provide the requested natural gas service to the Hunt Ridge Development Project.

On October 22, 1996, the Commission entered an Order directing the Staff to investigate the Company's request and to file a report on the Petition on or before October 31, 1996. The same Order directed Commonwealth to file its response to the Staff report on or before November 8, 1996.

On October 31, 1996, the Commission Staff filed its report. In its report, the Staff maintained that the Company was aware of the road project delay prior to soliciting an official letter from VDOT and that the Staff had been contacted in early September by the Company concerning whether a waiver was necessary. Photographs taken of the installation on September 30, 1996, indicate that two large propane tanks and a piping system have been installed at the Hunt Ridge Development by Foster Communities, Inc., the developer of Hunt Ridge. The report noted that Commonwealth Propane, Commonwealth's unregulated affiliate, was supplying propane to the system.

Although concerned about the circumstances surrounding the installation of propane service at Hunt Ridge, the Staff nevertheless recommended that the Commission grant Commonwealth a temporary conditional waiver. As a condition of receipt of the waiver, the Staff recommended that the Hunt Ridge Development be converted to natural gas service immediately after the VDOT work in the Hunt Ridge area was completed, even if the road construction project was completed prior to the estimated May 1997 completion date.

The second condition recommended by Staff related to the limitation of the Company's fuel cost recovery for the project to the cost of purchasing of natural gas rather than propane. The Staff observed that propane is more expensive per Btu than is natural gas. It noted that the higher per Btu cost of propane would be recovered from other ratepayers through the operation of Commonwealth's purchased gas adjustment ("PGA") mechanism. The Staff asserted that by limiting Commonwealth's fuel cost recovery to the equivalent gas cost per Btu, the Company would recover only the costs paid by the Hunt Ridge Metered Propane Service customers. According to Staff, its recommended treatment would assure that other customers' fuel costs would not increase as a result of the Hunt Ridge customers' receipt of MPS service.

On November 6, 1996, Commonwealth filed its response to the Staff's report. In its response, Commonwealth alleged that in early September 1996, it was apparent that Commonwealth would not be allowed to install the requested natural gas distribution facilities to the Hunt Ridge Development because of the road project. Commonwealth explained that it had requested formal notification from VDOT as to the target completion date for the road projected near Hunt Ridge. In its response, Commonwealth agrees that it is appropriate to convert the development from MPS to natural gas service after the road work is completed, and recommends thirty days as a reasonable time frame, following the actual notification by VDOT, within which this conversion to natural gas service may occur.

The Company objects to the Staff's second recommendation limiting the recovery of the cost of propane to the equivalent natural gas cost per Btu for Hunt Ridge Townhomes. Commonwealth states that such a proposal would unjustly penalize its stockholders for circumstances completely beyond their control. It asserts that it has not proposed or requested a waiver of the currently effective tariffs applicable to MPS and that the currently effective MPS tariff sets forth the just and reasonable rates for metered propane service. It notes that the cost of propane incurred by Commonwealth is recovered in accordance with the Company's currently approved effective PGA and annual cost adjustment ("ACA") mechanisms. Commonwealth asserts that the rate case stipulation did not contain any agreement by the participants that waivers of the moratorium on MPS additions would abrogate any portion of the otherwise generally applicable tariffs, including Commonwealth's MPS tariff, PGA, and ACA mechanisms.

NOW, upon consideration of the foregoing, the Commission is of the opinion and finds that the requested waiver should be granted on a temporary basis, conditioned as follows: (i) Commonwealth shall file a copy of VDOT's actual notification to the Company of VDOT's completion of the road project with the Clerk of the Commission; (ii) Commonwealth shall complete the installation of an underground distribution system within thirty days of the date of VDOT's actual notification; and (iii) the Company shall file a written notification with the Commission which advises when the conversion to natural gas distribution service is complete for the Hunt Ridge Townhomes.

We believe that the provision of natural gas service to Hunt Ridge is important and must be provided expeditiously. However, we are concerned about the circumstances preceding the Company's filed Petition. The Commission adopted Paragraph 2.H of the Stipulation without modification. It thus became a part of our April 24, 1996 Order Accepting Modified Settlement, entered in Case No. PUE950033. In the future, the Company should apply for any necessary waivers promptly upon the first indication that a waiver may be necessary. Failure to apply promptly in advance of the installation of service may be considered a violation of our April 24, 1996 Order and the subject of subsequent enforcement proceedings.

Moreover, after reviewing the Stipulation and Recommendation adopted in Case No. PUE950033, we conclude that no abrogation of Commonwealth's MPS tariff, PGA or ACA mechanisms was intended as part of the moratorium imposed in that proceeding. However, we share Staff's concern that the Company's fuel costs may be inflated by inclusion of the higher costs associated with propane. We wish to consider whether the number of metered propane services within Commonwealth's service territory is growing and whether the treatment of the costs for such services within Commonwealth's PGA requires modification. Therefore, we will direct our Staff to investigate, and Commonwealth to cooperate with Staff's investigation, of the incidence of and costs associated with Commonwealth's purchase of propane from the Company's unregulated subsidiary, Commonwealth Propane, and other propane suppliers. Staff's investigation should include, but not be limited to, whether these costs should continue to be recovered through the Company's PGA and whether Commonwealth's PGA requires modification. The Staff should make such recommendations as it believes appropriate based upon its investigation.

Accordingly, IT IS ORDERED THAT:

(1) Commonwealth's request for a temporary waiver of Paragraph 2.H of the Stipulation adopted in Case No. PUE950033 is granted for the purpose of allowing Metered Propane Service to the Hunt Ridge Townhomes, subject to the conditions set forth herein: (i) Commonwealth shall promptly file with the Clerk of the Commission a copy of the actual notification it receives from VDOT that VDOT has completed the road work in the Hunt Ridge area. (ii) The Company shall complete the conversion of Hunt Ridge Townhomes from MPS service to natural gas distribution within thirty days following the date of the actual notification to Commonwealth by VDOT that it has completed the roadwork near Hunt Ridge Townhomes. (iii) The Company shall file a document with the Clerk of the Commission, advising when the conversion of Hunt Ridge Townhomes to natural gas distribution service has been completed.

(2) The Staff shall investigate, among other things, the number of occurrences of metered propane purchases and costs recovered by Commonwealth through the Company's PGA and annual cost adjustment mechanisms related to purchases from Commonwealth Propane and other suppliers. Further, the Staff's investigation should consider whether Commonwealth's PGA mechanism should be modified. The Staff shall make such recommendations as it deems appropriate based upon its investigation, and shall serve a copy of its recommendations upon counsel for Commonwealth.

(3) Commonwealth shall cooperate fully with the Staff, and pursuant to Va. Code § 56-249, shall provide such data related to its propane purchases, sources of such purchases as well as such other information as the Staff shall require.

(4) This proceeding shall be continued in order to receive the documents required to be filed by Commonwealth.

CASE NO. PUE960296
NOVEMBER 12, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: Investigation of Electric Utility Industry Restructuring -- Virginia Electric and Power Company

ORDER

By Order entered September 18, 1995, in Case No. PUE950089, the Commission directed the Staff to continue and expand its investigation of current issues related to potential restructuring in the electric industry and to file a report on its observations and recommendations. All investor-owned electric utilities and electric cooperatives were made parties to the proceeding and directed to respond to the Staff's requests for information. Interested parties were invited to file written comments and requests for oral argument in response to the Staff Report.

The Staff filed its report on July 31, 1996. Comments have been received from a number of parties, filed both before and after filing of the Staff Report, and several parties requested oral argument. However, as the Staff Report constitutes only the initial stage of what will be an extended and evolutionary process and the scope of the issues addressed herein is limited, oral argument is premature at this time.

We believe that significantly more evaluation is necessary to determine what, if any, restructuring may best serve the public interest in Virginia. To facilitate such evaluation, Staff made various recommendations that will require consideration of utility-specific data relevant to potential changes in the electric industry.

In that vein, Virginia Electric and Power Company ("Virginia Power" or "the Company") is directed to file the information and analyses discussed below by March 31, 1997, based on a 1996 calendar year.

First, Virginia Power is directed to prepare an updated and thorough cost-of-service analysis. This analysis shall present cost-of-service studies using current methods as well as alternative demand allocation methodologies including at least the equivalent peaker and twelve coincident peak methods. The study should also explore and present an analysis of the appropriateness of allocating fuel costs on a time differentiated basis. As a part of this analysis, the Company shall also review and discuss its current allocation methodology and suggest any appropriate alternatives or modifications. The Company shall identify and quantify, to the extent possible, any cross-subsidies existing among its customer classes. The Company shall also propose methods and rate proposals to reduce and eliminate such cross-subsidies should it be determined that such action is necessary and appropriate. The Company shall further discuss whether promotion of the public interest requires that any such cross-subsidies be maintained, modified or eliminated.

The Company is also directed to file an illustrative tariff, showing how its rates for, at a minimum, generation, transmission, and distribution functions might be unbundled and shall file documentation supporting the illustrative unbundled rates.

Virginia Power shall also provide an analysis of methods by which improved price signals may be sent to customers and provide illustrative tariffs for each class with supporting data. Such analysis shall explore, at a minimum, real-time pricing for all customer groups and a re-evaluation of the current deferred accounting mechanisms for fuel and capacity recovery. The Company may also file alternative rate proposals it believes may better serve the public interest.

Virginia Power is further directed to file an analysis with supporting documents to: (i) support the Company's current reserve margin requirements and any planned changes to its reserve requirements over the next 10 years; (ii) demonstrate whether future incremental capacity needs could be provided by a competitive market; and (iii) evaluate whether the current capacity solicitation process should be modified. The Company shall also file an evaluation of the Commission's current policies regarding conservation and load management programs and all programs the Company has implemented pursuant to such policies. In addition, any filings made with federal or other state regulatory bodies that relate to any of the recommendations in the Staff Report or to alternative forms of regulation shall also be filed in this proceeding. The Company may also append comments to any of the filings directed herein, including its position on any of the matters under review in this proceeding.

Any proposed alternative form of regulation the Company wishes the Commission to consider shall be filed in this proceeding. Any such filing shall include all schedules, adjustments and data required for a general rate case per the Commission's Rules Governing Utility Rate Increase Applications and Annual Informational Filings, Case No. PUE850022, as they apply to general rate cases. All filings made in the near future shall use a 1996 calendar year as the test period. In preparing the required rate case adjustments, the Company should anticipate a rate year beginning 150 days from the date of filing. In addition, the Company shall show, at a minimum, to the extent possible, the impacts the proposal would have had on each class of customers and the Company during the test period. The filing shall also include all data and explanations necessary for the Commission to consider the proposal fully.

The Commission recognizes that the Company may not agree with certain aspects of the Staff Recommendations, and it is understood that compliance with this Order does not constitute acceptance or approval by the Company of any Staff recommendation.

The Commission further recognizes that it has directed the Company to undertake a very comprehensive analysis of its costs, revenues, and methods of operation and to file extensive reports of such analyses, and further has invited the Company to make recommendations and proposals on a wide range of subjects. The Commission will establish a procedural schedule and provide for discovery after the reports directed herein have been filed. At that time, the Commission will establish procedures necessary to permit interested parties fully to review the reports and proposals, and participate in this proceeding, including discovery, hearing and oral argument where appropriate. Upon receipt of a recommendation for adoption of an alternative form of regulation, the Commission will provide for notice and public hearing prior to taking action upon such recommendation.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUE960296;

(2) Virginia Power shall file the information, documentation, and analyses, and reports outlined above on or before March 31, 1997, with data based on a 1996 calendar year;

(3) Any alternative regulatory plan proposed by the Company shall be filed in this proceeding and conform to the requirements outlined above;

(4) Any restructuring plan or other filing made with a federal or other state regulatory body that relates to any of the recommendations contained in the Staff Report, shall be filed in this proceeding promptly; and

(5) This matter shall be continued generally until further order of the Commission.

CASE NO. PUE960298
NOVEMBER 12, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: Investigation of Electric Utility Industry Restructuring -- Kentucky Utilities Company

ORDER

By Order entered September 18, 1995, in Case No. PUE950089, the Commission directed the Staff to continue and expand its investigation of current issues related to potential restructuring in the electric industry and to file a report on its observations and recommendations. All investor-owned

electric utilities and electric cooperatives were made parties to the proceeding and directed to respond to the Staff's requests for information. Interested parties were invited to file written comments and requests for oral argument in response to the Staff Report.

The Staff filed its report on July 31, 1996. Comments have been received from a number of parties, filed both before and after filing of the Staff Report, and several parties requested oral argument. However, as the Staff Report constitutes only the initial stage of what will be an extended evolutionary process and the scope of the issues addressed herein is limited, oral argument is premature at this time.

We believe that significantly more evaluation is necessary to determine what, if any, restructuring may best serve the public interest in Virginia. To facilitate such evaluation, Staff made various recommendations that will require consideration of utility-specific data relevant to potential changes in the electric industry.

Accordingly, we are establishing by separate orders new dockets directing certain investor-owned electric utilities to provide information relevant to Recommendations Nos. 1, 2, 3, 4, 6 and 13 of the Staff Report. The requested information and analyses address: cost-of-service studies; illustrative tariffs reflecting unbundled rates for generation, transmission and distribution functions; means of improving price signals to customers; determining reserve margins, future incremental capacity needs and capacity solicitation processes; and conservation and load management programs. The investor-owned utilities were also directed to file with the Commission copies of any filings made with federal or other state regulatory bodies that relate to any of the recommendations in the Staff Report or to alternative forms of regulation.

At this time, the Commission is of the opinion that Kentucky Utilities Company ("Kentucky Utilities" or "the Company") need only file in this proceeding copies of any filings made with federal or other state regulatory bodies that relate to any of the recommendations in the Staff Report or to alternative forms of regulation.

Should Kentucky Utilities propose an alternative form of regulation in Virginia, the Company should be prepared to address the Staff recommendations outlined above as required of other investor-owned utilities. Any such proposal shall be filed in this proceeding and shall include all schedules, adjustments and data required for a general rate case per the Commission's Rules Governing Utility Rate Increase Applications and Annual Informational Filings, Case No. PUE850022, as they apply to general rate cases. All filings made in the near future shall use a 1996 calendar year as the test period. In preparing the required rate case adjustments, the Company should anticipate a rate year beginning 150 days from the date of filing. In addition, the Company shall show, at a minimum, to the extent possible, the impacts the proposal would have had on each class of customers and the Company during the test period. The filing shall also include all data and explanations necessary for the Commission to consider the proposal fully.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUE960298;

(2) Any alternative regulatory plan proposed by Kentucky Utilities shall be filed in this proceeding and conform to the requirements outlined above;

(3) Any restructuring plan or other filings made with federal or other state regulatory bodies that relate to any of the recommendations contained in the Staff Report, shall be filed in this proceeding; and

(4) This matter shall be continued generally until further order of the Commission.

CASE NO. PUE960299
NOVEMBER 12, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: Investigation of Electric Utility Industry Restructuring -- Delmarva Power & Light Company

ORDER

By Order entered September 18, 1995, in Case No. PUE950089, the Commission directed the Staff to continue and expand its investigation of current issues related to potential restructuring in the electric industry and to file a report on its observations and recommendations. All investor-owned electric utilities and electric cooperatives were made parties to the proceeding and directed to respond to the Staff's requests for information. Interested parties were invited to file written comments and requests for oral argument in response to the Staff Report.

The Staff filed its report on July 31, 1996. Comments have been received from a number of parties, filed both before and after filing of the Staff Report, and several parties requested oral argument. However, as the Staff Report constitutes only the initial stage of what will be an extended evolutionary process and the scope of the issues addressed herein is limited, oral argument is premature at this time.

We believe that significantly more evaluation is necessary to determine what, if any, restructuring may best serve the public interest in Virginia. To facilitate such evaluation, Staff made various recommendations that will require consideration of utility-specific data relevant to potential changes in the electric industry.

Accordingly, we are establishing by separate orders new dockets directing certain investor-owned electric utilities to provide information relevant to Recommendations Nos. 1, 2, 3, 4, 6 and 13 of the Staff Report. The requested information and analyses address: cost-of-service studies; illustrative tariffs reflecting unbundled rates for generation, transmission and distribution functions; means of improving price signals to customers; determining reserve margins, future incremental capacity needs and capacity solicitation processes; and conservation and load management programs.

The investor-owned utilities were also directed to file with the Commission copies of any filings made with federal or other state regulatory bodies that relate to any of the recommendations in the Staff Report or to alternative forms of regulation.

At this time, the Commission is of the opinion that Delmarva Power and Light Company ("Delmarva" or "the Company") need only file in this proceeding copies of any filings made with federal or other state regulatory bodies that relate to any of the recommendations in the Staff Report or to alternative forms of regulation.

Should Delmarva propose an alternative form of regulation in Virginia, the Company should be prepared to address the Staff recommendations outlined above as required of other investor-owned utilities. Any such proposal shall be filed in this proceeding and shall include all schedules, adjustments and data required for a general rate case per the Commission's Rules Governing Utility Rate Increase Applications and Annual Informational Filings, Case No. PUE850022, as they apply to general rate cases. All filings made in the near future shall use a 1996 calendar year as the test period. In preparing the required rate case adjustments, the Company should anticipate a rate year beginning 150 days from the date of filing. In addition, the Company shall show, at a minimum, to the extent possible, the impacts the proposal would have had on each class of customers and the Company during the test period. The filing shall also include all data and explanations necessary for the Commission to consider the proposal fully.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUE960299;

(2) Any alternative regulatory plan proposed by Delmarva shall be filed in this proceeding and conform to the requirements outlined above;

(3) Any restructuring plan or other filings made with federal or other state regulatory bodies that relate to any of the recommendations contained in the Staff Report, shall be filed in this proceeding; and

(4) This matter shall be continued generally until further order of the Commission.

CASE NO. PUE960300
NOVEMBER 12, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: Investigation of Electric Utility Industry Restructuring -- The Potomac Edison Company

ORDER

By Order entered September 18, 1995, in Case No. PUE950089, the Commission directed the Staff to continue and expand its investigation of current issues related to potential restructuring in the electric industry and to file a report on its observations and recommendations. All investor-owned electric utilities and electric cooperatives were made parties to the proceeding and directed to respond to the Staff's requests for information. Interested parties were invited to file written comments and requests for oral argument in response to the Staff Report.

The Staff filed its report on July 31, 1996. Comments have been received from a number of parties, filed both before and after filing of the Staff Report, and several parties requested oral argument. However, as the Staff Report constitutes only the initial stage of what will be an extended and evolutionary process and the scope of the issues addressed herein is limited, oral argument is premature at this time.

We believe that significantly more evaluation is necessary to determine what, if any, restructuring may best serve the public interest in Virginia. To facilitate such evaluation, Staff made various recommendations that will require consideration of utility-specific data relevant to potential changes in the electric industry.

In that vein, The Potomac Edison Company ("Potomac Edison" or "the Company") is directed to file the information and analyses discussed below by March 31, 1997, based on a 1996 calendar year.

First, Potomac Edison is directed to prepare an updated and thorough cost-of-service analysis. This analysis shall present cost of service studies using current methods as well as alternative demand allocation methodologies including at least the equivalent peaker and average and excess peak methods. The study should also explore and present an analysis of the appropriateness of allocating fuel costs on a time differentiated basis. As a part of this analysis, the Company shall also review and discuss its current allocation methodology and suggest any appropriate alternatives or modifications. The Company shall identify and quantify, to the extent possible, any cross-subsidies existing among its customer classes. The Company shall also propose methods and rate proposals to reduce and eliminate such cross-subsidies should it be determined that such action is necessary and appropriate. The Company shall further discuss whether promotion of the public interest requires that any such cross-subsidies be maintained, modified or eliminated.

The Company is also directed to file an illustrative tariff, showing how its rates for, at a minimum, generation, transmission, and distribution functions might be unbundled and shall file documentation supporting the illustrative unbundled rates.

Potomac Edison shall also provide an analysis of methods by which improved price signals may be sent to customers and provide illustrative tariffs for each class with supporting data. Such analysis shall explore, at a minimum, real-time pricing for all customer groups and a re-evaluation of the current deferred accounting mechanisms for fuel and capacity recovery. The Company may also file alternative rate proposals it believes may better serve the public interest.

Potomac Edison is further directed to file an analysis with supporting documents to: (i) support the Company's current reserve margin requirements and any planned changes to its reserve requirements over the next 10 years; (ii) demonstrate whether future incremental capacity needs could be provided by a competitive market; and (iii) evaluate whether the current capacity solicitation process should be modified. The Company shall also file an evaluation of the Commission's current policies regarding conservation and load management programs and all programs the Company has implemented pursuant to such policies. In addition, any filings made with federal or other state regulatory bodies that relate to any of the recommendations in the Staff Report or to alternative forms of regulation shall also be filed in this proceeding. Any proposed alternative form of regulation the Company wishes the Commission to consider shall be filed in this proceeding. The Company may also append comments to any of the filings directed herein, including its position on any of the matters under review in this proceeding.

Any proposed alternative form of regulation the Company wishes the Commission to consider shall be filed in this proceeding. Any such filing shall include all schedules, adjustments and data required for a general rate case per the Commission's Rules Governing Utility Rate Increase Applications and Annual Informational Filings, Case No. PUE850022, as they apply to general rate cases. All filings made in the near future shall use a 1996 calendar year as the test period. In preparing the required rate case adjustments, the Company should anticipate a rate year beginning 150 days from the date of filing. In addition, the Company shall show, at a minimum, to the extent possible, the impacts the proposal would have had on each class of customers and the Company during the test period. The filing shall also include all data and explanations necessary for the Commission to consider the proposal fully.

The Commission recognizes that the Company may not agree with certain aspects of the Staff Recommendations, and it is understood that compliance with this Order does not constitute acceptance or approval by the Company of any Staff recommendation.

The Commission further recognizes that it has directed the Company to undertake a very comprehensive analysis of its costs, revenues, and methods of operation and to file extensive reports of such analyses, and further has invited the Company to make recommendations and proposals on a wide range of subjects. The Commission will establish a procedural schedule and provide for discovery after the reports directed herein have been filed. At that time, the Commission will establish procedures necessary to permit interested parties fully to review the reports and proposals, and participate in this proceeding, including discovery, hearing and oral argument where appropriate. Upon receipt of a recommendation for adoption of an alternative form of regulation, the Commission will provide for notice and public hearing prior to taking action upon such recommendation.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUE960300;

(2) Potomac Edison shall file the information, documentation, and analyses, and reports outlined above on or before March 31, 1997, with data based on a 1996 calendar year;

(3) Any alternative regulatory plan proposed by the Company shall be consolidated in this proceeding;

(4) Any restructuring plan or other filing made with a federal or other state regulatory body that relates to any of the recommendations contained in the Staff Report, shall be filed in this proceeding promptly; and

(5) This matter shall be continued generally until further order of the Commission.

CASE NO. PUE960301
NOVEMBER 12, 1996

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: Investigation of Electric Utility Industry Restructuring -- Appalachian Power Company

ORDER

By Order entered September 18, 1995, in Case No. PUE950089, the Commission directed the Staff to continue and expand its investigation of current issues related to potential restructuring in the electric industry and to file a report on its observations and recommendations. All investor-owned electric utilities and electric cooperatives were made parties to the proceeding and directed to respond to the Staff's requests for information. Interested parties were invited to file written comments and requests for oral argument in response to the Staff Report.

The Staff filed its report on July 31, 1996. Comments have been received from a number of parties, filed both before and after filing of the Staff Report, and several parties requested oral argument. However, as the Staff Report constitutes only the initial stage of what will be an extended and evolutionary process and the scope of the issues addressed herein is limited, oral argument is premature at this time.

We believe that significantly more evaluation is necessary to determine what, if any, restructuring may best serve the public interest in Virginia. To facilitate such evaluation, Staff made various recommendations that will require consideration of utility-specific data relevant to potential changes in the electric industry.

In that vein, Appalachian Power Company ("Apco" or "the Company") is directed to file the information and analyses discussed below by March 31, 1997, based on a 1996 calendar year.

First, Apco is directed to prepare an updated and thorough cost-of-service analysis. This analysis shall present cost of service studies using current methods as well as alternative demand allocation methodologies including at least the equivalent peaker and average and excess methods. The

study should also explore and present an analysis of the appropriateness of allocating fuel costs on a time differentiated basis. As a part of this analysis, the Company shall also review and discuss its current allocation methodology and suggest any appropriate alternatives or modifications. The Company shall identify and quantify, to the extent possible, any cross-subsidies existing among its customer classes. The Company shall also propose methods and rate proposals to reduce and eliminate such cross-subsidies should it be determined that such action is necessary and appropriate. The Company shall further discuss whether promotion of the public interest requires that any such cross-subsidies be maintained, modified or eliminated.

The Company is also directed to file an illustrative tariff, showing how its rates for, at a minimum, generation, transmission, and distribution functions might be unbundled and shall file documentation supporting the illustrative unbundled rates.

Apco shall also provide an analysis of methods by which improved price signals may be sent to customers and provide illustrative tariffs for each class with supporting data. Such analysis shall explore, at a minimum, real-time pricing for all customer groups and a re-evaluation of the current deferred accounting mechanisms for fuel and capacity recovery. The Company may also file alternative rate proposals it believes may better serve the public interest.

Apco is further directed to file an analysis with supporting documents to: (i) support the Company's current reserve margin requirements and any planned changes to its reserve requirements over the next 10 years; (ii) demonstrate whether future incremental capacity needs could be provided by a competitive market; and (iii) evaluate whether the current capacity solicitation process should be modified. The Company shall also file an evaluation of the Commission's current policies regarding conservation and load management programs and all programs the Company has implemented pursuant to such policies. In addition, any filings made with federal or other state regulatory bodies that relate to any of the recommendations in the Staff Report or to alternative forms of regulation shall also be filed in this proceeding. The Company may also append comments to any of the filings directed herein, including its position on any of the matters under review in this proceeding.

Any proposed alternative form of regulation the Company wishes the Commission to consider shall be filed in this proceeding. Any such filing shall include all schedules, adjustments and data required for a general rate case per the Commission's Rules Governing Utility Rate Increase Applications and Annual Informational Filings, Case No. PUE850022, as they apply to general rate cases. All filings made in the near future shall use a 1996 calendar year as the test period. In preparing the required rate case adjustments, the Company should anticipate a rate year beginning 150 days from the date of filing. In addition, the Company shall show, at a minimum, to the extent possible, the impacts the proposal would have had on each class of customers and the Company during the test period. The filing shall also include all data and explanations necessary for the Commission to consider the proposal fully.

The Commission recognizes that the Company may not agree with certain aspects of the Staff Recommendations, and it is understood that compliance with this Order does not constitute acceptance or approval by the Company of any Staff recommendation.

The Commission further recognizes that it has directed the Company to undertake a very comprehensive analysis of its costs, revenues, and methods of operation and to file extensive reports of such analyses, and further has invited the Company to make recommendations and proposals on a wide range of subjects. The Commission will establish a procedural schedule and provide for discovery after the reports directed herein have been filed. At that time, the Commission will establish procedures necessary to permit interested parties fully to review the reports and proposals, and participate in this proceeding, including discovery, hearing and oral argument where appropriate. Upon receipt of a recommendation for adoption of an alternative form of regulation, the Commission will provide for notice and public hearing prior to taking action upon such recommendation.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUE960301;

(2) Apco shall file the information, documentation, and analyses, and reports outlined above on or before March 31, 1997, with data based on a 1996 calendar year;

(3) Any alternative regulatory plan proposed by the Company shall be consolidated in this proceeding;

(4) Any restructuring plan or other filing made with a federal or other state regulatory body that relates to any of the recommendations contained in the Staff Report, shall be filed in this proceeding promptly; and

(5) This matter shall be continued generally until further order of the Commission.

CASE NO. PUE960302
NOVEMBER 26, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
FRANK OTT, et al.
v.
WINTERGREEN VALLEY UTILITY COMPANY, L.P.

PRELIMINARY ORDER

By letters dated October 4, 1996 and October 21, 1996, Wintergreen Valley Utility Company, L.P. ("the Company") notified its customers and the Commission's Division of Energy Regulation, respectively, pursuant to the Small Water or Sewer Public Utility Act (Virginia Code § 56-265.13:1, et seq.) of its intent to increase its water and sewer rates effective for service rendered on and after December 1, 1996. On November 6, 1996, the Commission's Division of Energy Regulation received a petition requesting a hearing from approximately thirty percent (30%) of the Company's affected customers.

NOW THE COMMISSION, having considered the matter, is of the opinion that a hearing should be scheduled pursuant to Virginia Code § 56-265.13:6. A procedural order establishing, among other things, the date and location of the hearing will be by separate order of the Commission.

The Commission is also of the opinion that the Company's proposed rates should be suspended for a period of sixty (60) days and that such rates should be declared interim and subject to refund, with interest, following the period of suspension. In addition, the Company should file certain financial information based on the proposed test year on or before January 3, 1997. Accordingly,

IT IS ORDERED THAT:

(1) This matter shall be docketed and assigned Case No. PUE960302;

(2) The increase in the Company's rates is hereby suspended for a period of sixty (60) days or through January 29, 1997;

(3) The increase in the Company's rates shall be interim and subject to refund, with interest, following the period of suspension, or effective for service rendered on or after January 30, 1997;

(4) The Company shall file with the Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, on or before January 3, 1997, certain financial data based on the Company's proposed test year. Such information shall include, at a minimum, an income statement, balance sheet, statement of cash flows, the Company's most recent tax return, and a rate of return statement, with workpapers supporting all proposed adjustments to book amounts, which support the Company's proposed rate increase as required by § 8 of the Commission's Rules Implementing the Small Water or Sewer Public Utility Act.

(5) This matter shall be continued subject to further order of the Commission.

CASE NO. PUE960304
DECEMBER 20, 1996

APPLICATION OF
ROANOKE GAS COMPANY

For expedited rate relief

ORDER ALLOWING RATES TO TAKE EFFECT ON AN INTERIM BASIS

On December 2, 1996, Roanoke Gas Company ("Roanoke" or "the Company") filed an application for expedited rate relief with the Commission. Among other things, the Company requested that its proposed increase in rates be permitted to take effect for service rendered on and after January 1, 1997.

On December 18, 1996, the Staff filed a motion, requesting the Commission to convert the Company's expedited rate application into a general case and to suspend Roanoke's rates. The Staff relied upon Company's stated intention to file a performance based rate application shortly after filing its expedited rate application as the reason necessitating the conversion of the application to a general rate case.

On December 19, 1996, the Commission entered an Order suspending the Company's rates and inviting the Company to file a response to the Staff's Motion. On the same day, the Company delivered its response opposing the Motion, together with a bond securing its proposed increase in rates. The Company renewed its request to make its proposed tariff revisions effective for service rendered on and after January 1, 1997.

On December 20, 1996, the Company filed a motion indicating that it no longer intended to file a performance based rate application during calendar year 1997. It represented that Staff no longer wished to go forward with its motion to convert the Company's application to a general case. It renewed its request to make rates effective on January 1, 1997.

On December 20, 1996, the Staff filed a request to withdraw its December 18 Motion.

NOW, UPON CONSIDERATION of the foregoing, the Commission is of the opinion and finds that the Company should be permitted to implement its proposed tariff revisions and rate increase on an interim basis, subject to refund, for service rendered on and after January 1, 1997; and that the Company's bond should be accepted for filing.

In the event that Roanoke determines to file an application for an optional form of rate regulation under which the cost of service ratemaking methodology set forth in Va. Code § 56-235.2 may be replaced with a performance based ratemaking methodology, it should file, in addition to any other information it deems necessary, all schedules, adjustments and data required for a general rate case pursuant to the Commission's Rules Governing Utility Rate Increase Applications and Annual Informational Filings, adopted in Case No. PUE850022, as these rules apply to general rate cases.

Accordingly, IT IS ORDERED THAT:

(1) The Company's proposed increase in rates and proposed tariff revisions shall be permitted to become effective on an interim basis subject to refund for service rendered on and after January 1, 1997.

(2) The Company's bond dated December 18, 1996, in the amount of $959,277, is accepted for filing and shall be filed in the Office of the Clerk of the Commission.

(3) Roanoke shall keep accurate accounts in detail of all amounts received under the increased rates which will become effective for service rendered on and after January 1, 1997.

(4) Interest upon any refund hereinafter ordered by the Commission shall be computed from the date payment is due until the date refunds are made.

(5) Roanoke shall bear all costs of such refunding.

(6) This matter shall be continued until further order of the Commission.

DIVISION OF ECONOMICS AND FINANCE

CASE NO. PUF930044
JANUARY 2, 1996

APPLICATION OF
VIRGINIA ELECTRIC AND POWER

For authority to issue preferred stock

ORDER EXTENDING AUTHORITY

In an application filed on September 27, 1993, Virginia Electric and Power Company ("Virginia Power" or "the Company") requested authority to issue and sell one or more series of up to $100,000,000 in aggregate principal amount of preferred stock ("New Preferred"). The dividend rates on each series of the New Preferred was to be established on a competitive or negotiated basis at the time of sale in accordance with conditions in the financial markets at the time of each issue and dividends were to be paid quarterly. The Company proposed issuing the New Preferred over an indefinite time period, as financial market conditions permitted. The proceeds from the sale of the New Preferred was to be used to refund higher cost preferred stock issues and to finance other capital requirements of the Company.

On October 7, 1993, the Commission entered an order granting authority wherein it approved issuance of up to $100,000,000 of the New Preferred under the terms and conditions and for the purposes set forth in the application, provided that the issuance of refunding preferred stock results in cost savings to the Company. However, the Commission found that the authority in this case should be granted for a limited time period through October 31, 1995.

By letter dated December 21, 1995, Virginia Power requests that the authority in this case be extended for an additional two-year period. The Company states that is has not issued any New Preferred pursuant to the authority granted in this case. The Company further requests that the Final Report of Action date be extended by two years to December 29, 1997.

THE COMMISSION, upon consideration of the matter, is of the opinion and finds that extending the authority in this case will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) The authority granted in Ordering paragraph one of the Commission's October 7, 1993 Order to issue up to $100,000,000 of New preferred, under the terms and conditions and for the purposes set forth in the application, provided that the issuance of refunding preferred stock results in cost savings to the Company, shall be and hereby is extended through October 31, 1997.

2) The interim reporting requirements of the Commission's October 7, 1993 Order shall remain in effect.

3) Applicant shall file a Final Report of Action on, or before, December 29, 1997, to include all information required in Ordering Paragraph 4 of the Commission's October 7, 1993 Order which incorporates actual expenses and fees paid for the proposed financings with an explanation of any variances from the estimated expenses contained in the Financing Summary attached to the Company's September 27, 1993 application.

4) This matter shall be continued, subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUF950001
FEBRUARY 9, 1996

APPLICATION OF
UNITED CITIES GAS COMPANY

For authority to issue and sell common stock and/or debt securities

FIRST ORDER AMENDING AUTHORITY GRANTED

By Commission order dated March 23, 1995, United Cities Gas Company ("Company" or "Applicant") was granted the authority to issue and sell up to $200,000,000 of the Company's secured debt or unsecured debt securities and/or common stock under the terms and conditions and for the purposes as set forth in the application. In its application, the Company stated proceeds would be used to finance its capital requirements to include the Company's ongoing construction program, to repay short-term debt, to finance the acquisition and/or construction of additional properties and facilities, to refund whole or partial outstanding securities, to satisfy sinking fund requirements, and for other corporate purposes.

By letter dated January 17, 1996, Applicant requested that the authority granted be amended to allow for the routine issuance of common stock through existing Commission-approved stock purchase plans. The Company requested that the amended authority be granted no later than March 15, 1996. The Company also stated that it will abide by all other substantive requirements contained in the previous orders for each separate stock purchase plan.

The Commission, upon consideration of Applicant's request and having been advised by its staff, is of the opinion and finds that the authority granted should be amended. Accordingly,

IT IS ORDERED THAT:

1) The March 23, 1995 order shall be amended to allow for the issuance of common stock under the Commission-approved stock purchase plans as requested in Applicant's letter of January 17, 1996.

2) Commission approval shall be required for any change in terms or conditions of any Commission-approved stock plan or any new stock purchase plan.

3) Within 14 days of any Board of Directors resolution affecting the number of shares available under any Commission-approved Company stock purchase plan, Applicant shall file a report of action to include a copy of the Board of Directors resolution.

4) Applicant shall include in its final report of action all information required in ordering paragraph (5) of the March 23, 1995 order as well as a summary of common stock issued under each separately approved stock purchase plan to include the number of shares issued, dollar amount received, and the cumulative issuance costs incurred under the combined stock purchase plans.

5) All of the other terms and conditions as outlined in the March 23, 1995 Order shall remain in full force and effect.

6) That this matter shall remain under the continued review, audit and appropriate directive of the Commission.

CASE NO. PUF950001
MARCH 21, 1996

APPLICATION OF
UNITED CITIES GAS COMPANY

For authority to issue and sell common stock and/or debt securities

SECOND ORDER AMENDING AUTHORITY GRANTED

By Commission order dated March 23, 1995, United Cities Gas Company ("the Company" or "Applicant") was granted authority to issue and sell up to $200,000,000 of the Company's secured or unsecured debt securities and/or common stock (collectively, "Proposed Securities") under the terms and conditions and for the purposes set forth in the application. In its application, the Company stated that net proceeds would be used to finance its capital requirements to include the Company's ongoing construction program, to repay short-term debt, to finance the acquisition and/or construction of additional properties and facilities, to refund whole or partial outstanding securities, to satisfy sinking fund requirements, and for other corporate purposes. By First Order Amending Authority dated February 9, 1996, the Commission granted the Company authority to include the issuance of common stock under approved stock purchase plans, as requested in Applicant's letter dated January 17, 1996.

On January 30, 1996, Applicant filed a second letter requesting that the authority be amended to allow for the issuance of Proposed Securities either for cash or directly for the acquisition of additional properties and facilities. Applicant plans to issue up to 210,000 shares of common stock to acquire the assets of Monarch Gas Company, a natural gas distribution company located in Illinois. In order to utilize the Proposed Securities registered under the Universal Shelf Registration, the Company will amend its SEC filing so that the Proposed Securities may be issued for either cash or directly to a seller to finance the acquisition of additional properties and facilities.

The Commission, upon consideration of Applicant's request and having been advised by its Staff, is of the opinion and finds that approval of the request will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) The March 23, 1995 Order and the First Order Amending Authority dated February 9, 1996, shall be amended to allow the Company to issue the Proposed Securities for cash or directly to a seller to finance the acquisition of additional properties and facilities, as requested in Applicant's letter of January 30, 1996.

2) Within 30 days after filing amendments with the SEC regarding the Universal Shelf Registration, Applicant shall submit a report of action containing a copy of the Form S-4.

3) All of the other terms and conditions outlined in orders dated March 23, 1995 and February 9, 1996, shall remain in full force and effect.

4) This matter shall remain under the continued review, audit and appropriate directive of the Commission.

CASE NO. PUF950016
AUGUST 6, 1996

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY
and
SHENANDOAH GAS COMPANY

For authority to make and receive interest-bearing cash advances on open account

ORDER AMENDING AUTHORITY GRANTED

On September 29, 1995, the Commission issued an Order Granting Authority for Washington Gas Light Company ("WGL") to make interest bearing cash advances ("Advances") on open account to its affiliates Shenandoah Gas Company ("Shenandoah") and Frederick Gas Company, Inc. ("Frederick") from October 1, 1995 through September 30, 1996. The authority granted limited the aggregate amount of Advances outstanding at any one time to $29,000,000 for Frederick and $25,000,000 for Shenandoah. As a Virginia regulated utility, Shenandoah was also granted authority to receive such advances from WGL.

By letter dated July 31, 1996, WGL and Shenandoah (collectively, "Applicants") requested that their authority in this case be amended to increase the aggregate amount of Advances authorized from WGL to Shenandoah to $32,000,000. Applicants note that their request is prompted by having recently determined that they have inadvertently exceeded the $25,000,000 authorized level of Advances since the end of June 1996. Applicants state that the cash advances exceeding the authorized level were required by Shenandoah to meet previously unbudgeted capital requirements for service extensions to new customers. To complete its service extensions and other capital projects Applicants project that Shenandoah will require up to $32,000,000 of aggregate advances through September 30, 1996.

THE COMMISSION, upon consideration of Applicants' request and having been advised by Staff, is of the opinion and finds that an Order Amending Authority Granted should be issued. By their own admission, Applicants appear to have violated the authority granted by Order dated September 29, 1995. This violation, however, does not appear to warrant any action against Applicants since the violation does not appear to be material and Applicants have not had a repeated history of such violations. Nevertheless, Applicants are admonished to make every effort to prevent the recurrence of future violations which could lead the Commission to exercise its powers under § 56-71 of Chapter 3 of the Code of Virginia. Accordingly,

IT IS ORDERED THAT:

1) WGL is authorized to make and Shenandoah is authorized to receive open account Advances not to exceed an aggregate amount of $32,000,000 at any one time through September 30, 1996.

2) All other provisions of the September 29, 1995 Order shall remain in full force and effect.

CASE NO. PUF950018
MAY 21, 1996

APPLICATION OF
APPALACHIAN POWER COMPANY

For authority to issue long-term securities

ORDER AMENDING AUTHORITY GRANTED

On October 18, 1995, the Commission issued an Order authorizing Appalachian Power Company ("Applicant" or "APCO") to issue and sell First Mortgage Bonds, unsecured notes, or secured promissory notes up to an aggregate principal amount of $360,000,000 from time to time through December 31, 1996, in all manner, under the terms and conditions and for the purposes set forth in the application, provided that the issuance of any securities for refunding results in demonstrable cost savings to applicant. Applicant indicated in its application that at least $310,000,000 of the proceeds from the proposed transactions might be used to refund outstanding long-term debt or to repay short-term debt.

By letter dated January 6, 1996 ("the Letter"), APCO requested that its authority in this case be amended to include refunding of preferred stock as a use of the proceeds from the proposed transactions. The Commission Staff subsequently requested additional information in order to fully evaluate Applicant's proposed amendment. On April 25, 1996, APCO responded to Staff's request indicating that, if the after-tax benefit is sufficient and rating agencies would give sufficient equity credit for the new issue, it would possibly issue a tax-deductible preferred product such as junior subordinated debentures to refund its 7.40% Cumulative Preferred Stock and its 7.80% Cumulative Preferred Stock. Applicant's break-even analysis indicates that, assuming a rate of 8.00% on the new issue, the junior subordinated debentures produce a savings large enough to justify the refunding.

THE COMMISSION, upon consideration of this information and having been advised by its Staff, is of the opinion and finds that an Order Amending Authority Granted should be issued. However, the Commission is aware of proposed tax law changes which may impact the tax deductibility of the interest on these types of security instruments and we expect APCO to consider any such change in its decision to issue this type of security. Further, we remind APCO that the authority granted herein shall have no implications for ratemaking purposes. Accordingly,

IT IS ORDERED THAT:

1) Applicant is authorized to issue and sell First Mortgage Bonds, unsecured notes, or secured promissory notes up to an aggregate principal amount of $360,000,000 from time to time through December 31, 1996, in all manner, under the terms and conditions, and for the purposes set forth in the

application as amended by Letter dated January 6, 1996, to include the refunding of preferred stock, provided that the issuance of any securities for refunding results in demonstrable cost savings to Applicant.

2) All other provisions of the October 18, 1995 Order shall remain in full force and effect.

CASE NO. PUF950019
NOVEMBER 25, 1996

APPLICATION OF
VIRGINIA GAS DISTRIBUTION COMPANY

For authority to incur indebtedness

ORDER FURTHER AMENDING THE AUTHORITY GRANTED

By Commission Order dated November 3, 1995, Virginia Gas Distribution Company "VGDC") was authorized to issue up to $2,900,000 of debt in the form of a promissory note to Virginia Gas Company ("VGC"), its parent company. VGDC further received authority to loan a portion of its allocated proceeds to its affiliates, Virginia Gas Storage Company ("VGDC"), Virginia Gas Pipeline Company ("VGPC"), Virginia Gas Exploration Company ("VGEC") and/or VGC, in the form of a promissory note, all in the manner, and under the terms and conditions, and for the purposes set forth in the application. By letter dated November 30, 1995, VGDC requested that the authority granted be amended to allow funding for the indebtedness to come from the issuance of Exempt Facility Revenue Bonds by the Industrial Development Authority of Russell County and/or the Industrial Development Authority of Buchanan County. The Commission issued an Order Amending the Authority Granted on December 6, 1995, that authorized VGDC's request.

By letter dated November 4, 1996, Applicant requests that the Commission further amend the affiliate provisions of the authority granted in its Orders of November 3, 1995 and December 6, 1995, to permit the charge of a reasonable fee on loans to/from affiliates for recovery of reasonable administration costs incurred thereon.

NOW THE COMMISSION, having considered the matter and having been advised by its Staff, is of the opinion that recovery of reasonable administration costs on affiliate loans would not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) The Commission's Orders dated November 3, 1995 and December 6, 1995, be and hereby are further amended to authorize VGDC to charge a reasonable fee for the recovery of administration costs on funds loaned to its affiliates.

2) The authority granted in ordering paragraph one (1) of this Order shall have no implications for ratemaking purposes.

3) All other requirements and provisions of the Orders dated November 3, 1995 and December 6, 1995, shall remain in full force and effect.

4) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission

CASE NO. PUF950020
NOVEMBER 25, 1996

APPLICATION OF
VIRGINIA GAS STORAGE COMPANY

For authority to incur indebtedness

ORDER FURTHER AMENDING THE AUTHORITY GRANTED

By Commission Order dated November 3, 1995, Virginia Gas Storage Company "VGSC") was authorized to issue up to $847,000 of debt in the form of a promissory note to Virginia Gas Company ("VGC"), its parent company. VGSC also received authority to borrow a portion of the bond proceeds allocated from VGC to Virginia Gas Distribution Company ("VGDC"), an affiliate, in the form of a promissory note, all in the manner, and under the terms and conditions, and for the purposes set forth in the application. By letter dated November 30, 1995, VGSC requested that the authority granted be amended to allow funding for the indebtedness come from the issuance of Exempt Facility Revenue Bonds by the Industrial Development Authority of Russell County and/or the Industrial Development Authority of Buchanan County. The Commission issued an Order Amending the Authority Granted on December 6, 1995, that authorized VGSC's request.

By letter dated November 4, 1996, Applicant requests that the Commission further amend the affiliate provisions of the authority granted in its Orders of November 3, 1995 and December 6, 1995, to permit the charge of a reasonable fee on loans to/from affiliates for recovery of reasonable administration costs incurred thereon.

NOW THE COMMISSION, having considered the matter and having been advised by its Staff, is of the opinion that recovery of reasonable administration costs on affiliate loans would not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) The Commission's Orders dated November 3, 1995 and December 6, 1995, be and hereby are further amended to authorize VGDC to charge, and VGSC to pay, a reasonable fee for the recovery of administration costs on funds loaned to VGSC.

2) The authority granted in ordering paragraph one (1) of this Order shall have no implications for ratemaking purposes.

3) All other requirements and provisions of the Orders dated November 3, 1995 and December 6, 1995, shall remain in full force and effect.

4) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission

CASE NO. PUF950026
JANUARY 11, 1996

APPLICATION OF
VIRGINIA GAS STORAGE COMPANY

For authority to issue common stock

ORDER GRANTING AUTHORITY

On November 17, 1995, Virginia Gas Storage Company ("Applicant" or "VGSC") filed an application with the Commission under Chapters 3 and 4 of Title 56 of the Code of Virginia. Applicant has paid the requisite fee of $250.

Applicant requests authority to issue an additional 18,200 shares of common stock equally among its two shareholder affiliates ,Virginia Gas Company ("VGC"), and Mr. H. A. Street. Applicant states that the price per share of common stock sold will be $200, which amounts to a total of $3,640,000 for all 18,200 shares.

Applicant states that VGC intends to fund its purchase of 9,100 shares of common stock with the proceeds from a planned public issuance of VGC common and preferred stock. Applicant also states that Mr. Street intends to convert $820,000 of VGSC debentures into 4,100 shares of common stock and to purchase the remaining 5,000 shares.

Applicant states that the proceeds will be used to increase working capital, acquire property, and provide for the construction and improvement of its facilities. Applicant further represents that issuance costs will be minimal since the shares will be issued privately.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion that approval of the authority requested will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to issue up to an additional 18,200 shares of common stock through June 30, 1997, all in the manner, under the terms and conditions, and for the purposes as set forth in the application.

2) Approval of the application shall have no implications for ratemaking purposes.

3) Any subsequent financing arrangements with affiliates or other affiliate agreements shall require separate authority, which shall not be implied by approval of the application herein.

4) Approval of the application shall not preclude the Commission from applying the provisions of Sections 56-78 and 56-80 of the Code of Virginia hereafter.

5) The Commission reserves the right to examine the books and records of any affiliate, whether or not such affiliate is regulated by this Commission, in connection with the authority granted herein, pursuant to section 56-79 of the Code of Virginia.

6) Applicant shall file a report of action within 60 days of each calendar quarter ended in which any action is taken pursuant to ordering paragraph 1, to include the number of shares issued, the date issued, the price per share, and the remaining number of shares authorized for issuance.

7) Applicant shall file a final report of action on or before August 31, 1997, to include:

(a) the most current balance sheet available for VGSC that reflects the actions taken pursuant to this order, and a consolidated balance sheet for VGC as of the same date;

(b) a detailed account of all issuance costs incurred to date for the shares of common stock issued.

8) This matter be continued, subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUF950029
JULY 2, 1996

APPLICATION OF
COMMONWEALTH GAS SERVICES, INC.
and
THE COLUMBIA GAS SYSTEM, INC.

For approval of intercompany financing for 1996

ORDER AMENDING AUTHORITY GRANTED

By Commission order dated December 14, 1995, Commonwealth Gas Services, Inc. ("the Company" or "Applicant") was granted authority under Chapters 3 and 4 for intercompany financing during 1996. The Company was authorized to issue up to $5 million in equity, up to $26.2 million in long term debt, up to $19 million in short-term debt through the intrasystem money pool agreement ("Money Pool"), and to invest temporary funds in the Money Pool.

By letter filed June 24, 1996, the Company requested an order amending the authority granted to allow for an additional $20 million in short-term borrowings through the Money Pool, to a level of $39 million. The $39 million of short-term debt is in excess of twelve (12) percent of total capitalization as defined in § 56-65.1 of the Code of Virginia. The Company needs an additional $5 million to replenish gas storage volumes depleted during the severely cold winter. The timing of funds to be collected under the deferred gas purchase mechanism will also require temporary cash of approximately $16 million until the funds will be collected during the 1996-1997 heating season.

NOW THE COMMISSION, having considered the matter, and having been advised by its staff, is of the opinion that the authority granted should be amended. Accordingly,

IT IS ORDERED THAT:

(1) The December 14, 1995, order shall be amended to allow for the additional issuance of $20 million in short-term debt, to a level of $39 million, as requested by the letter dated June 24, 1996.

(2) All other terms and conditions as outlined in the December 14, 1995 order shall remain in full force and effect.

(3) This matter shall remain under the continued review, audit, and appropriate directive of the Commission.

CASE NO. PUF950031
JANUARY 17, 1996

APPLICATION OF
APPALACHIAN POWER COMPANY
and
AMERICAN ELECTRIC POWER COMPANY, INC.

For authority to receive cash capital contributions from an affiliate

ORDER GRANTING AUTHORITY

On November 14, 1995, Appalachian Power Company ("APCO", "Applicant") and American Electric Power Company, Inc. ("AEP") filed an application under Chapter 4 of Title 56 of the Code of Virginia requesting authority for APCO to receive cash capital contributions from its parent, AEP, from time to time subsequent to December 31, 1995 and prior to January 1, 2001, in an aggregate principal amount of up to $245,000,000. The application was deemed complete on November 29, 1995, with the filing of a transaction summary.

The proceeds of the cash capital contributions will be applied by APCO to its construction programs, to repay short-term debt, and for other corporate purposes. Applicant further indicates that, consistent with its long-term goals, these funds will help provide an adequate equity component in its capital structure.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. However, the Commission is of the further opinion that the authority in this case should commence with the date that this Order is issued rather than the December 31, 1995 date proposed by the Company. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to receive up to $245,000,000 in cash capital contributions from AEP from the date of this Order through January 1, 2001, under the terms and conditions and for the purposes set forth in the application.

2) Applicant shall file a Report of Action within thirty days of the end of each calendar quarter indicating whether cash capital contributions were made within that quarter; if so, Applicant shall report the date(s) and amount(s) of any capital contributions made during the quarter pursuant to this Order, the use of the proceeds, and an end-of-quarter capital structure reflecting the additional equity.

3) Applicant shall file a Final Report of Action on or before January 31, 2001, to include a summary of the dates and amounts of all capital contributions made pursuant to this Order, the use of the proceeds, and a final capital structure for the quarter ended December 31, 2000.

4) The Commission reserves the right to examine the books and records of any affiliate, whether or not such affiliate is regulated by this Commission, in connection with the authority granted herein, pursuant to Section 56-79 of the Code of Virginia.

5) Approval of the application does not preclude the Commission from applying the provisions of Sections 56-78 and 56-80 of the Code of Virginia hereafter.

6) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF950032
JANUARY 11, 1996

APPLICATION OF
ROANOKE GAS COMPANY

For authority to issue short-term debt

ORDER GRANTING AUTHORITY

On December 4, 1995, Roanoke Gas Company ("Roanoke", "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia to issue up to $15 million of short-term debt over a three-year period. The filing was completed on December 18, 1995. The $15 million amount is in excess of twelve percent of capitalization as defined in Section 56-65.1. Roanoke has paid the requisite fee of $250.

The borrowings will be made under a $10 million line of credit and/or through the issuance of notes to regional banks. The proceeds of the borrowings will be used for working capital needs and to provide bridge financing for both construction activities and the refunding of long-term securities. Applicant proposes to incur the indebtedness from time to time over the three year period from July 1, 1996 through June 30, 1999.

Roanoke is currently authorized to incur short-term indebtedness up to $10 million through June 30, 1996. That authority was granted in Case No. PUF940003. The increase in the borrowing limit to $15 million is to provide additional bridge financing in connection with the expected restructuring of some of Roanoke's long-term debt.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. However, the Commission is of the further opinion that the period over which the authority is granted should be limited to two years, from July 1, 1996 through June 30, 1998, because it appears that Applicant's borrowing needs will decrease after the debt restructuring takes place. If Roanoke expects its borrowing needs to remain high after that time, it may file another application. Accordingly,

IT IS ORDERED THAT:

(1) Applicant is authorized to issue short-term indebtedness in an aggregate amount outstanding not to exceed $15 million at any one time from July 1, 1996 through June 30, 1998, under that terms and conditions and for the purposes set forth in the application.

(2) On or before July 15 and January 15 of each year, Applicant shall file a Report of Action including a daily balance of short-term debt outstanding during the semi-annual period ending in June and December, respectively, and a schedule of issuances including the amount, date of issue, interest rate, maturity and lending institution.

(3) On or before July 31, 1998, Applicant shall file a final Report of Action providing the information outlined in ordering paragraph (2).

(4) This matter shall be continued, subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUF950033
JANUARY 11, 1996

APPLICATION OF
SHENANDOAH TELEPHONE COMPANY

For authority to receive a loan/grant from the United States government

ORDER GRANTING AUTHORITY

On December 15, 1995, Shenandoah Telephone Company ("Shenandoah" or "Applicant") filed an application with the Commission under Chapter 3 of Title 56 of the Code of Virginia for authority to enter into transactions to receive a loan/grant from the United States government. The loan/grant ("Loan") described in the application meets the securities criteria of § 56-57 in that Applicant has an obligation to repay the Loan in the circumstances detailed herein. Applicant has paid the requisite fee of $225.

Shenandoah will serve as the sponsor ("Grantee") for a $200,000 Loan from the Rural Business and Cooperative Development Service ("RBCDS") and will enter into a Rural Economic Development Grant Agreement ("Revolving Loan Fund Agreement") to receive an interest free Loan

with no stated date of maturity. The Loan will only be repaid if Applicant or the Authority fail to adhere to the terms of the Revolving Loan Fund Agreement. The proceeds will be loaned to the Shenandoah County Industrial Development Authority ("the Authority") to finance the construction of an 18,000 square foot industrial shell building ("the Project") approved by RBCDS. As a condition of the Revolving Loan Fund Agreement, Shenandoah, as Grantee, will contribute an additional $40,000 (20% of the Loan). All costs incurred by Applicant regarding the Loan will be reimbursed by the Project's earnings. Applicant represents that the Project will enhance the economy of the community, and in turn, foster the demand for the extension and improvement of the Applicant's facilities which might not otherwise be feasible for the rural community.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to enter into transactions to receive a $200,000 loan/grant from the United States Department of Agriculture under the terms and conditions and for the purposes as set forth in the application.

2) The authority granted herein shall have no implications for ratemaking purposes.

3) There appearing nothing further to be done in this matter it is hereby dismissed.

CASE NO. PUF950034
JANUARY 11, 1996

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to issue debt securities

ORDER GRANTING AUTHORITY

On December 18, 1995, Virginia Electric and Power Company ("Virginia Power", "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to issue up to $24,500,000 of solid waste disposal revenue bonds ("Bonds") to refund the outstanding bonds assumed on December 30, 1994, as consideration for the purchase of the North Branch Power Project. Applicant has paid the requisite fee of $250.

The Bonds will be issued through the County Commission of Grant County, West Virginia. The proceeds will be used to refund the $24,500,000 outstanding variable rate Series 1988B Bonds. This redemption is being undertaken to refinance and extend the maturity of the obligations, to restructure the Series 1988B Bonds to achieve the lowest cost financing, and to conform to similar tax-exempt financings of Applicant. The redemption transaction is expected to occur on March 1, 1996.

The Bonds will have a stated final maturity of March 1, 2026 and will bear interest at variable rates based on short-term, tax-exempt rates in effect from time to time. The Bonds will contain certain provisions permitting the Company to convert the interest rate to a fixed rate at any time.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest, provided that the refunding results in savings to Applicant. However, the Commission is of the further opinion that, since Applicant anticipates issuing the Bonds during February 1996 and redeeming the Series 1988B Bonds on March 1, 1996, the authority in this case should be limited to calendar year 1996. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to enter into transactions relating to the issuance of up to $24,500,000 of solid waste disposal revenue bonds through December 31, 1996, for the purposes and under the terms and conditions as described in the application, provided that such issuance results in savings to Applicant.

2) Within seven days after any debt is issued pursuant to this Order, Applicant shall file a preliminary Report of Action containing the issue and maturity dates, amount issued, interest rate at time of issue, and net proceeds to Applicant.

3) Within 60 days after the end of any calendar quarter in which any debt is issued, Applicant shall file a detailed Report of Action containing the following: a detailed analysis of the savings due to the new issue, showing the effective cost rate of the redeemed issue compared to the new issue, redemption provisions, underwriters' fees and other issuance expenses, a detailed account of any loss on reaquired debt, to include call premiums and unamortized expenses from the original issue, net proceeds to Applicant, a list describing all filings, contracts or agreements in conjunction with the issuance, and a balance sheet reflecting the actions taken.

4) Applicant shall file a final Report of Action on or before January 31, 1997, including the information contained in ordering paragraph (3), if applicable, and any additional information on expenses to date associated with the issue.

5) Approval of this application shall have no implications for ratemaking purposes.

6) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF960001
APRIL 1, 1996

APPLICATION OF
APPALACHIAN POWER COMPANY

For authority to enter into a sale and leaseback transaction

ORDER GRANTING AUTHORITY

On February 14, 1996, Appalachian Power Company ("APCO", "Applicant") filed an application with the Commission under Chapters 3 and 5 of the Code of Virginia. In its application, APCO requests approval of a sale and leaseback transaction with the City of Bedford ("Bedford", "the City"). Applicant has paid the requisite fee of $250.

The sale and leaseback transaction proposed in this case is the final step in a settlement between APCO and the City. The settlement was proposed before the Commission in Case No. PUE950015 and was intended to resolve a dispute between the two parties as to which had the right to serve the electrical needs of Georgia-Pacific Company's manufacturing facility located in Big Island, Virginia ("the Big Island facility").

Under the term of the sale and leaseback transaction, APCO will sell to Bedford a portion of the facilities used to serve the Big Island facility ("the equipment"). The sales price will be equal to APCO's installation cost for the equipment and is expected to be between $2 million and $3 million. The actual equipment to be sold to Bedford will be designated by mutual agreement between APCO and Bedford once APCO has completed the construction and equipping of the Skimmer Station. The Company expects the designation to be accomplished no later than August 31, 1996.

APCO and Bedford will also immediately enter into a lease agreement for the facilities with a term of 30 years. Under the lease agreement APCO will pay to Bedford an annual rent payment equal to 13.67% of the purchase price. At the end of the 30 year lease term, APCO is required to purchase, and Bedford is required to sell, the equipment for a purchase price equal to the then book value of the equipment. The book value of the equipment is to be calculated by applying the annual depreciation component of 1.55% to the initial purchase price.

In support of its application the Company states that since the annual rent to be paid to Bedford equals APCO's carrying cost which it would have incurred had it continued to own the equipment, there will be no adverse impact on ratepayers. APCO also states that it will maintain the same degree of control and the same right to use the equipment as the Company would have had if it owned the equipment and therefore, it believes that adequate service to the public will not be impaired or jeopardized by the proposed sale and leaseback.

In its application the Company states that it intends to use the financing method of accounting for the transaction, coupled with the recognition of regulatory asset and liability amounts in order to treat the transaction as an operating lease. Our Staff has stated that it prefers the Company use the financing method of accounting for ratemaking purposes without recognition of regulatory asset and liability amounts.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. However, the Commission is of the further opinion and finds that the proper ratemaking accounting treatment of the sale and leaseback transaction should be handled in the context of a rate related proceedings such as an Annual Informational Filing or rate case. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to enter into the proposed sale and leaseback transaction under the terms and conditions and for the purposes as stated in the application as modified herein.

2) The authority granted herein shall have no implications for ratemaking purposes.

3) On or before November 1, 1996, Applicant shall file a report of action to include the sale price for the equipment, an itemized list of equipment sold, a copy of the sales contract, a copy of the lease agreement, and a copy of the journal entries used to record both the sale and the lease of the facilities.

4) This matter shall remain under the continued review, audit and appropriate directive of the Commission.

CASE NO. PUF960002
MARCH 7, 1996

APPLICATION OF
UNITED CITIES GAS COMPANY

For authority to issue common stock under a non-employee director stock plan

ORDER GRANTING AUTHORITY

On February 13, 1996, United Cities Gas Company ("the Company" or "Applicant") filed an application under Chapter 3 of Title 56 of the Virginia Code requesting authority to issue up to 100,000 shares of authorized but unissued common stock to non-employee members of its board of directors. The Company has paid the requisite fee of $250.

Applicant proposes to offer shares of common stock in lieu of cash compensation for its non-employee board of directors under the terms of the Non-Employee Director Stock Plan ("the Plan"). The Plan was approved by the Board of Directors on February 24, 1995, and approved by the Company's shareholders on April 28, 1995.

Applicant indicates that the purpose of the Plan is to better align the interest of non-employee directors with the interests of the shareholders and to assist the Company in attracting and retaining highly qualified persons to serve as non-employee directors of the Company. Non-employee directors may elect 25%, 50%, 75% or 100% of their annual retainer compensation to be used to purchase shares under the Plan. The price of the shares will be the lesser of (i) the average closing price in the 30 day period ending on the Price Date or (ii) the closing price on before the Price Date. The shares of common stock have already been registered with the Securities and Exchange Commission ("SEC") under the Company's Universal Shelf Registration and approved by this Commission in Case No. PUF950001 (orders dated March 23, 1995 and February 9, 1996).

The Commission, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to issue and sell up to 100,000 shares of common stock under the Non-Employee Director Stock Plan, all in a manner, under the terms and conditions and for the purposes as set forth in the application.

2) Applicant shall report issuances under the Non-Employee Director Stock Plan according to ordering paragraph (4) of the Commission's first order amending authority dated February 9, 1996 in Case No. PUF950001.

3) Applicant shall seek subsequent approval from the Commission if the terms and conditions of the Non-Employee Director Stock Plan approved herein should change.

4) Approval of this application shall have no implications for ratemaking.

5) There appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUF960002
MARCH 21, 1996

APPLICATION OF
UNITED CITIES GAS COMPANY

For authority to issue common stock under a non-employee director stock plan

CORRECTING ORDER

By order dated March 7, 1996, the Commission granted United Cities Gas Company ("the Company") authority to issue and sell up to 100,000 shares of common stock to non-employee members of its board of directors ("the Plan"). The first sentence on Page 2 of that Order incorrectly references such shares as already being registered with the Securities and Exchange Commission ("SEC") under the Company's Universal Shelf Registration rather than being in addition to shares already registered. Similarly, the second ordering paragraph incorrectly requires the Company to file information relevant to the new issuance of common stock in the proceeding docketed for the Company's Universal Shelf Registration, or Case No. PUF950001.

NOW THE COMMISSION, having considered the matter, is of the opinion that the Order Granting Authority dated March 7, 1996, should be corrected to provide an accurate description of the registration of such shares of common stock. The Commission is of the further opinion that the second ordering paragraph of that Order should be vacated and replaced with reporting requirements consistent with issuance of common stock under the Plan. Accordingly,

IT IS ORDERED THAT:

(1) The second sentence, first paragraph of page 2 of the Commission's Order Granting Authority of March 7, 1996, shall be corrected as follows:

> The shares of common stock <u>are in addition to those shares now</u> registered with the Securities and Exchange Commission ("SEC") under the Company's Universal Shelf Registration and approved by this Commission in Case No. PUF950001 (orders dated March 23, 1995 and February 9, 1996). (emphasis added)

(2) Ordering paragraph (2) of the above referenced Order shall be vacated and replaced with following:

> Applicant shall file a report of action with the Commission's Division of Economics and Finance no later than March 31, 1997, which shall include the number of shares of common stock issued in 1996 under the Plan, average share price and dollars received under the Plan, and cumulative costs of the Plan incurred to date.

CASE NO. PUF960003
MARCH 26, 1996

APPLICATION OF
LAKE MONTICELLO SERVICE CO., INC.

For authority to issue debt

ORDER GRANTING AUTHORITY

On February 21, 1996, Lake Monticello Service Co., Inc. ("the Company" or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to issue a $550,000 promissory note ("the Note") to Nations Bank, N.A. effective September 1, 1995. On March 1, 1996, Applicant amended its application to request authority to include the financing of a new vehicle ("the Contract") for $27,501.19 with Crestar Bank effective June 19, 1995. The Company has paid the requisite fee of $250.

Applicant has previously been regulated by the Commission pursuant to Chapter 10.2:1 of Title 56, The Small Water or Sewer Public Utility Act ("the Act"), as its total operating revenues were less than $1 million (Va. § 56-265.13:3). The Act exempts small water companies from regulation for the issuance of securities pursuant to Chapter 3 of Title 56 (Va. § 56-265-13.7).

According to annual statements filed with the Commission's Division of Public Service Taxation, the Company's total operating revenues were $933,051 in 1992, $1,021,908 in 1993, and $1,227,231 in 1994. The Company acknowledges that it is now subject to Chapter 10 of Title 56 and therefore subject to Chapter 3 for the issuance of such securities.

The proceeds from the Note are for the construction and permanent financing of a new two million gallon water storage tank which is necessary to fulfill the Company's public service obligation to 2,100 active customers and 2,400 availability customers located in the county of Fluvanna, Virginia. The proceeds from the Contract were used to purchase a new Jeep Cherokee for maintenance and service of its facilities.

The Commission, upon consideration of the Application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. The Commission puts the Company on notice that all Chapter 3 activities will be carefully monitored by Staff under Chapter 10 of Title 56 for full compliance with the Commission's jurisdiction. Accordingly,

IT IS ORDERED THAT:

1) Applicant is granted authority from the date of this order to issue a promissory note of $550,000 to Nations Bank N.A. for the purposes and under the terms and conditions set forth in the application.

2) Applicant is granted authority from the date of this order to borrow $27,501.19 from Crestar Bank for the purposes and under the terms and conditions set forth in the amendment to the application.

3) Approval in this case shall have no implications for ratemaking purposes.

4) There appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUF960004
APRIL 29, 1996

APPLICATION OF
THE POTOMAC EDISON COMPANY

For continuing approval of money pool agreement with affiliates

ORDER GRANTING AUTHORITY

On March 18, 1996, The Potomac Edison Company ("the Company" or "Applicant") filed an application with the Commission under Chapter 4 of Title 56 of the Code of Virginia. In its application, the Company requests continuing approval to borrow and lend funds to companies with affiliated interests through a Money Pool Agreement ("the Money Pool").

Applicant has previously received Commission approval to participate in the Money Pool in Case Nos. PUF910006 and PUF930032. The Money Pool Agreement has been in effect and continuously in use since the Commission's approval dated January 24, 1992, in Case No. PUF910006.

The Money Pool is an internal financing facility in which excess funds of some participants are used to satisfy the short-term borrowing needs of others. Applicant states that the Money Pool is more efficient that intercompany billing, and has also resulted in higher returns for investing members and lower interest costs for borrowing members. Participants in the Money Pool are The Potomac Edison Company, West Penn Power Company, Monongahela Power Company, Allegheny Generating Company ("AGC") and Allegheny Power System, Inc. ("APS Inc."). AGC may only borrow from the Money Pool, and APS Inc. may only lend to the Money Pool. Interest rates are based on the previous days' federal funds effective interest rate as quoted by the Federal Reserve Bank of New York. Daily balancing of each Money Pool participant and overall administration of the Money Pool is performed by Allegheny Power Service Corporation ("APSC"), the Agent for the participants. The operation of the Money Pool is designed to match, on a daily basis, the available cash and short-term borrowing requirements of participants, thereby minimizing the need to borrow funds in the external short-term capital markets. Applicant indicates that any excess funds from the Money Pool are to be invested according to the guidelines outlined in the Money

Pool agreement. Depending on market conditions, the Money Pool can save the participants up to 30 basis points in either lower borrowing costs or higher investment returns. Applicant also states that no unregulated affiliates can participate in the Money Pool.

The Commission, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby granted approval to participate as a borrower and lender of funds through the Money Pool Agreement, all in a manner, under the terms and conditions and for the purposes as set forth in the application.

2) Applicant shall seek subsequent approval from the Commission if the terms and conditions of the Money Pool agreement approved herein should change.

3) The approval granted herein shall not preclude the Commission from exercising the provisions of § 56-78 and § 56-80 of the Code of Virginia hereafter.

4) The Commission reserves the right to examine the books and records of any affiliate in connection with the authority granted herein, whether or not such affiliate is regulated by this Commission, pursuant to § 56-79 of the Code of Virginia.

5) The approval of this application shall have no implications for ratemaking.

6) There appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUF960005
MAY 23, 1996

APPLICATION OF
ROANOKE GAS COMPANY

For authority to issue intermediate- and long-term securities

ORDER GRANTING AUTHORITY

On April 29, 1996, Roanoke Gas Company ("Applicant" or "Company") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to issue up to $13,475,000 in aggregate amount of intermediate- and long-term notes from July 1, 1996 through June 30, 1998. Applicant has paid the requisite fee of $250.

Applicant states that the proceeds of these issues will be used to replace existing debt and to finance capital improvements. The interest rates on the new notes will be negotiated at the time of issuance. The Company estimates that the interest rate will be equivalent to a comparable Treasury security rate plus 200 basis points or less, excluding the portions representing the existing principal of the Series K and L mortgage debt which would continue to carry their current interest rates within a "blend and extend" arrangement. Under this arrangement, the Company proposes to combine the principal repayment streams and imbedded interest on the mortgage notes with an extension of the due date, with the extension to be financed at market rates. Maturities may range from 3 to 30 years.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to issue up to $13,475,000 in aggregate amount of intermediate- and long-term notes from July 1, 1996 through June 30, 1998, in all manner, under the terms and conditions, and for the purposes set forth in the application, provided that the issuance of any securities for refunding results in demonstrable cost savings to Applicant.

2) Applicant shall submit a preliminary Report of Action within ten (10) days after the issuance of any new securities pursuant to this Order including the type of securities issued, the date issued, the amount of the issue, the coupon rate, the maturity date, the comparable U. S. Treasury rate, a break-even analysis for any refunding notes or debentures, and an explanation for the maturity chosen.

3) Within sixty (60) days after the end of each calendar quarter in which any new securities are issued, Applicant shall file a more detailed Report of Action with respect to the new securities issued including the type of securities issued, the date and amount of each series, the coupon rate, date of maturity, net proceeds to Applicant, an itemized list of all expenses to date associated with each issue, a comparison of the effective rates on the new securities and any refunded debt issues to demonstrate savings to Applicant, a list of any and all contracts and underwriting agreements regarding the sale or marketing of the new securities, and a balance sheet reflecting the actions taken.

4) Applicant shall file a Final Report of Action on, or before September 30, 1998, to include all information required in Ordering Paragraph 3 which incorporates then-current actual expenses and fees paid for the proposed financings with an explanation of any variances from the estimated expenses contained in the Financing Summary attached to the Company's application.

5) Approval of this application shall have no implications for ratemaking purposes.

6) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF960006
JUNE 6, 1996

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to borrow under credit facilities

ORDER GRANTING AUTHORITY

On May 15, 1996, Virginia Electric and Power Company ("Virginia Power", "the Company") filed an application under Chapter 3 of Title 56 of the Code of Virginia for authority to borrow under two credit facilities, a five-year $300 million credit facility and a 364-day $200 million facility. The Company has paid the requisite fee of $250.

The credit facilities for which the Company seeks approval are intended to replace an existing 5-year $300 million facility and a $200 million program for the sale of the Company's accounts receivable. Each of the new credit facilities provides for borrowings as either revolving credit loans or competitive advances. The terms and conditions of loans under the credit facilities will be governed by credit agreements between the Company and a syndicate of financial institutions, with Chemical Bank acting as administrative agent. Interest rates under the revolving credit loan facilities will be based on one of several interest rate options. For the competitive advance facilites, interest rates will be determined by competitive auction. Fees equal to nine basis points of the $300 million credit facility amount and six basis points of the $200 million facility amount will charged annually by the banks. In addition, an annual administrative of $10,000 will be charged by Chemical. Proceeds from borrowings under the credit facilities will be used for general corporate purposes, including commercial paper liquidity back-up.

Borrowings under the 5-year credit facility will be accounted for as long-term debt; borrowings under the 364-day facility will be accounted for as short-term debt. The Company represents that the 364-day facility does not require approval because the $200 million amount is less than 12% of capital. Nevertheless, the Company asked the Commission to take note of the fact that the short-term facility can be extended for additional 364-day periods and to grant approval of the facility.

THE COMMISSION, upon consideration of the application, and the advice of its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Virginia Power is authorized to borrow under the credit facilities under the terms and conditions and for the purposes set forth in the application.

2) On or before September 30, 1996, the Company shall file executed copies of the credit agreements.

3) Once the new facilities become effective, the authority granted in Case No. PUF950010 for the $300 million 5-year facility is terminated and superseded by the authority granted herein.

4) The authority granted herein shall have no implications for ratemaking purposes.

5) This case shall be continued subject to the ongoing review of the Commission.

CASE NO. PUF960007
JUNE 6, 1996

APPLICATION OF
LAKE MONTICELLO SERVICE COMPANY, INC.

For authority to issue debt

ORDER GRANTING AUTHORITY

On May 21, 1996, Lake Monticello Service Company, Inc. ("the Company" or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to borrow up to $1,550,000 in long-term debt ("the Debt") from Jefferson National Bank ("Jefferson"). On May 30, 1996, Applicant supplemented the application and reiterated its request for expedited review of the application in order to meet a required construction deadline. Applicant has paid the requisite fee of $250.

Applicant proposes to incur the Debt in the form of a commercial term loan. The Debt will have a five year maturity, and principal payments will be based on a twenty year amortization. The interest rate will be 2.75% above the most recent monthly average of the one-year US Treasury securities rate as reported by the Federal Reserve Board. The interest rate will be adjusted annually on the anniversary date. The proceeds will be used to refinance three outstanding loans, to pay an IRS obligation, and to finance necessary improvements to the water plant in order to raise the water plant

capacity from 600,000 gallons per day to 1,000,000 gallons per day with permission of the State Health Department. Conditions of the loan include a debt service coverage ratio of at least 1.50 annually, no dividend payments or distributions, other annual borrowing limited to $50,000 per year, net worth of at least $600,000 by December 31, 1996, and growth in net worth of the Company of at least $100,000 per year while the loan is outstanding.

The Commission, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is authorized to borrow up to $1,550,000 in long-term debt from Jefferson National Bank, all in a manner, under the terms and conditions and for the purposes as set forth in the application and the supplement to the application dated May 30, 1996.

2) Applicant shall file no later than October 1, 1996, a report of action containing the total amount drawn, the monthly US Treasury rate on one-year securities, the interest rate in effect for the first year of the loan, the total legal and other related expenses incurred to date, and a balance sheet showing the impact of the issuance.

3) The approval of this application shall have no implications for ratemaking.

4) This matter shall be continued, subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUF960008
AUGUST 9, 1996

APPLICATION OF
COMMONWEALTH GAS SERVICES, INC.

For authority to enter into a sale-leaseback of certain real property with an affiliate

ORDER GRANTING AUTHORITY

On July 12, 1996, Commonwealth Gas Services, Inc. ("Commonwealth" or "Applicant") filed an application with the Commission under Chapters 4 and 5 of Title 56 of the Code of Virginia for authority to enter into a sale-leaseback transaction of real property with Columbia Gas Transmission Corporation ("Columbia Transmission"), an affiliate.

In its application, Commonwealth indicates that it has identified the need to replace and consolidate certain of its operations centers in order to better serve customers. To this end, Commonwealth has either purchased or contracted for the purchase of three parcels of land where it intends to site three new operations centers ("the Parcels"). The Parcels are located in Lexington, Chester, and Gainesville.

During this same time period, Commonwealth became aware of a unique opportunity for the Parcels to be developed by Columbia Transmission. The opportunity is presented because of Columbia Transmission's need to reinvest certain condemnation proceeds by December 31, 1996. Columbia Transmission has recently decided to make a firm proposal to reinvest these proceeds in the development of the Parcels to meet Commonwealth's needs.

Under the terms of the Columbia Transmission proposal to Applicant, Commonwealth proposes to transfer its ownership in the Lexington and Gainesville parcels to Columbia Transmission at the capitalized cost of the two parcels. Additionally, Commonwealth proposes to transfer its rights to purchase the Chester parcel to Columbia Transmission. Columbia Transmission would then construct the operations centers and lease the improved Parcels back to Commonwealth under a triple net lease for each parcel. The lease would be structured as an operating lease under the Financial Accounting Standard 13 for off-balance sheet accounting treatment. The lease is for an initial term of seven years with an option for Commonwealth to renew for up to two renewal terms of seven years each. The lease payments made by Commonwealth to Columbia Transmission for all three developed parcels will equal $830,985 per year for the initial seven-year term, assuming a total investment of $5,938,967.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that the lease option with Columbia Transmission, as proposed in its application, is more costly for Commonwealth's ratepayers than ownership. Therefore, the Commission is of the further opinion and finds that the public interest will be protected if the lease payments made to Columbia Transmission are limited to the cost Commonwealth's ratepayers will incur if Commonwealth owned the three operations centers. Accordingly,

IT IS ORDERED THAT:

1) Commonwealth is authorized to sell the Lexington and Gainesville parcels to Columbia Transmission at the capitalized cost of the two parcels and is further authorized to transfer its rights to purchase the Chester parcel to Columbia Transmission.

2) Commonwealth is authorized to enter into a seven-year lease agreement for the three developed Parcels with Columbia Transmission provided that the lease payments are less than or equal to the cost Commonwealth's ratepayers would incur if Commonwealth owned the three parcels.

3) If Commonwealth chooses to exercise its option to renew the lease with Columbia Transmission after the initial seven-year lease agreement, Commonwealth shall apply with the Commission for approval of such renewal.

4) On or before April 30, 1997, Applicant shall file a report of action with the Directors of the Divisions of Economics and Finance and Public Utility Accounting to include for each operations center: the total lease payment for 1997, the cost of ownership based on the then current cost of capital

and the then current ratemaking methodologies dictated by the Commission, the capitalized cost of the parcel included in the lease payment, the total cost of construction of the operations centers included in the lease payment, and a copy of the lease agreement.

5) On or before April 30 of each subsequent year of the lease agreement, Applicant shall file a report of action with the Directors of the Divisions of Economics and Finance and Public Utility Accounting to include for each operations center: the total lease payment for the year and the cost of ownership based on the then current cost of capital and the then current ratemaking methodologies dictated by the Commission.

6) The authority granted herein shall not preclude the Commission from applying the provisions of § 56-78 and § 56-80 of the Code of Virginia hereafter.

7) The Commission reserves the right to examine the books and records of any affiliate, whether or not such affiliate is regulated by this Commission, in connection with the authority granted herein, pursuant to § 56-79 of the Code of Virginia.

8) The authority granted herein shall have no implications for ratemaking purposes.

9) That there appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUF960008
AUGUST 29, 1996

APPLICATION OF
COMMONWEALTH GAS SERVICES, INC.

For authority to enter into a sale-leaseback of certain real property with an affiliate

ORDER DENYING RECONSIDERATION

By order entered on August 9, 1996, the Commission, pursuant to Chapters 4 and 5 of Title 56, authorized Commonwealth Gas Services, Inc. ("Commonwealth" or "Applicant") to enter into a sale-leaseback transaction of real property with its affiliate, Columbia Gas Transmission Corporation ("Columbia Transmission"). This transaction involves three parcels of land where Commonwealth intends to site three new operations centers. In that order the Commission conditioned approval of the seven-year lease agreement on lease payments made to Columbia Transmission that were less than or equal to the cost Commonwealth's ratepayers would incur if Commonwealth owned the three developed parcels. Commonwealth was required to file annual reports of action recalculating the lease payment based on the then-current capital cost and ratemaking methodologies established by the Commission.

By petition filed on August 16, 1996, Commonwealth, by its counsel, requests that the Commission grant its request for reconsideration of the August 9 Order and issue an order adopting, as a condition of its approval, a limit on rate recovery of the amount of lease payments, in place of the limitation on the amount of the lease payment, that could be made to Columbia Transmission. In the alternative, Commonwealth requests that the Commission modify its condition so that the recalculation of the level of the limitation would be made after three years rather than after one year.

NOW THE COMMISSION, having considered the matter, is of the opinion that Applicant's Petition for Reconsideration should be denied. We are concerned that the proposal to limit ratemaking approval places no limit on the lease payment made to Columbia Transmission. The lease payments made to Columbia Transmission above and beyond that recoverable through rates represents capital which could be used to serve customers in Virginia. We note that Commonwealth, in its application, proposes to utilize the sale-leaseback mechanism to conserve capital for direct investment in certain pipeline facilities needed to distribute gas to its customers.

In addition, we do not agree with the Company's alternative proposal to recalculate the return on the lease after three years. Such calculation does not necessarily meet the condition that the lease payment to the affiliate be less than or equal to the cost Commonwealth's ratepayers would incur if Commonwealth owned the three developed parcels. Accordingly,

IT IS ORDERED THAT Commonwealth's Petition for Reconsideration be, and hereby is, denied.

CASE NO. PUF960009
AUGUST 20, 1996

APPLICATION OF
DELMARVA POWER & LIGHT COMPANY

For authority to establish a trust preferred capital financing program

ORDER GRANTING AUTHORITY

On July 29, 1996, Delmarva Power & Light Company ("the Company" or "Applicant") filed an application with the Commission under Chapters 3 and 4 of Title 56 of the Code of Virginia requesting authority to issue up to $72,200,000 in junior subordinated debentures (the "Debentures") and to: 1) sell the debentures to Delmarva Power Financing I (the "Trust"), an affiliate as defined by § 56-76 of the Code of Virginia, 2) cause the Trust to issue up to $70,000,000 in preferred securities to the public and up to $2,200,000 of common securities to the Company, representing beneficial ownership of the Trust (together "Trust Securities"), and 3) undertake certain guarantee obligations in relation to the Trust. Applicant has paid the requisite fee of $250.

The Company indicates that the purpose of these transactions is to refund, at an effective cost of money lower than existing dividend obligations, certain preferred stock of the Company. The dividend rate on the preferred securities will be based on the then current market rates for similar securities issued and established through arms length negotiation. The debentures will bear the same interest rate as the dividend rate on the preferred securities. Dividends will be paid quarterly, the rate will be fixed at the time of issue, and the maturity may be up to 40 years. The Company anticipates issuing the proposed securities on or before December 31, 1996.

The Commission, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. However, the Commission is aware of proposed tax law changes which may impact the tax deductibility of the interest on these types of security instruments and we expect Delmarva to consider any such change in its decision to issue this type security. Further, we remind Delmarva that the authority granted herein shall have no implications for ratemaking purposes. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to enter into the transactions described in the application, under the terms and conditions and for the purposes set forth in the application, through December 31, 1996, provided that the financing result in cost savings to the Company, these transactions include:

(a) doing business with Delmarva Power Financing I (the "Trust") for the purposes and under the terms and conditions contained in the application;

(b) causing the Trust to issue Trust Preferred Securities and Trust Common Securities up to an aggregate amount of $72,200,000;

(c) purchase the Trust Common Securities of the Trust;

(d) issuing up to $72,200,000 of the Junior Subordinated Debentures, for the purposes and under conditions contained in the application;

(e) executing an agreement with the Trust to guarantee certain payments of the Trust as described in the application.

2) Applicant shall submit a preliminary report of action within ten (10) days after the issuance of any Debentures and Trust Securities pursuant to this order, including the date issued, the amount of the issue, the interest rate, the maturity date, and the comparable U. S. Treasury rate.

3) Applicant shall file, on or before March 31, 1997, a final report of action including the date and amount of Debentures issued, the interest rate, date of maturity, net proceeds to Applicant, an itemized list of all expenses to date associated with the financings, the use of the proceeds, a comparison of the effective rate on the Debentures and Trust Securities and any refunded preferred stock to demonstrate savings to Applicant, a list of all contracts and underwriting agreements related to the financings, and a balance sheet reflecting the actions taken.

4) The approval of this application shall have no implications for ratemaking.

5) This matter shall be continued, subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUF960010
SEPTEMBER 9, 1996

APPLICATION OF
GTE SOUTH, INCORPORATED
and
GTE FUNDING INCORPORATED

For the approval of affiliate agreements

ORDER GRANTING AUTHORITY

On June 24, 1996, GTE South, Incorporated ("GTE South") and GTE Funding, Incorporated ("GTE Funding") (collectively, "Applicants") filed a joint application under Chapter 4 of Title 56 of the Code of Virginia requesting approval of a Financial Services Agreement ("FSA") and an associated Support Agreement. By letter dated July 3, 1996, Applicants revised certain terms of the FSA.

In order to obtain short-term financing at a lower cost, GTE telephone operating companies ("GTOC's") have decided to consolidate their short-term financing operations, with GTE Funding performing such operations. GTE Funding is a wholly owned subsidiary of GTE Florida, which is, in turn, a wholly owned subsidiary of GTE Corporation. GTE Funding is organized for the sole purpose of overseeing the daily cash management operations under the FSA for eligible GTOC's.

In order to be eligible to participate in the FSA, each GTOC would be required to maintain a minimum credit rating of A-1, P-1, D-1 or F-1 (as prescribed by the major credit rating agencies) in its stand-alone commercial paper program. The rate of interest for both borrowing and investing under the FSA will vary daily depending on market rate of interest on GTE Funding's commercial paper borrowings. All charges for services under the FSA performed by GTE Funding for GTE South will be based upon the costs of the service provided.

The associated Support Agreement is an agreement between GTE Corporation and GTE Funding which limits GTE Funding's borrowing authority at 92% of $2.5 billion at any one time, and limits GTE South's liability to its net borrowing plus accrued interest should GTE Funding fail to pay principle or interest in a timely manner.

Applicants represent that the FSA and associated Support Agreement will not provide any subsidy to GTE Funding or any other non-regulated entity, nor will it expose GTE South to any unnecessary business risk by virtue of these agreements.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the FSA and the associated Support Agreement will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) GTE South is hereby granted authority to enter into the Financial Services Agreement with GTE Funding for the purposes and under the terms and conditions set forth in the application, as revised by letter dated July 3, 1996, and to enter into the associated Support Agreement.

2) GTE South is hereby authorized to borrow through GTE Funding provided the costs of such borrowings are equal to or lower than GTE South's costs for comparable borrowings in the commercial paper market, subject to the $550,000,000 limit granted in Case No. PUF950024 through December 31, 1996. Should GTE South wish to borrow short-term debt in excess of 12% of total capitalization (as defined in § 56-65.1 of the Code of Virginia) past December 31, 1996, GTE South shall seek Commission approval.

3) GTE South is hereby authorized to invest funds with GTE Funding for the purposes and under the terms and conditions as described in the revised application.

4) Should any terms and conditions of the FSA or the associated Support Agreement change from those detailed in the application as revised, Commission approval shall be required for such changes.

5) Approval of this application does not preclude the Commission from applying the provisions of § 56-78 and § 56-80 of the Code of Virginia hereafter.

6) 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 approval granted herein, pursuant to § 56-79 of the Code of Virginia.

7) Approval of this application shall have no implications for ratemaking purposes.

8) There appearing nothing further to be done, this matter is hereby dismissed.

CASE NO. PUF960011
AUGUST 26, 1996

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For authority to issue short-term debt and sell commercial paper to affiliates

ORDER GRANTING AUTHORITY

On August 5, 1996, Washington Gas Light Company ("WGL" or "Applicant") filed an application under Chapters 3 and 4 of Title 56 of the Code of Virginia for authority to incur up to $200,000,000 of short-term debt and for authority to sell commercial paper to affiliates. This amount of short-term debt is in excess of the twelve percent of capitalization as defined in Section 56-65.1 under Chapter 3 of Title 56 of the Code of Virginia. Applicant has paid the requisite fee of $250.

WGL proposes to incur short-term indebtedness, from time to time, up to a maximum of $200,000,000 for the period October 1, 1996, through September 30, 1997. The proposed short-term debt will be in the form of commercial paper and/or bank notes. WGL also requests authority for up to $20,000,000 of its short-term debt to be in the form of commercial paper sold to the following affiliated companies: Crab Run Gas Company, Hampshire Gas Company, and Brandywood Estates, Inc., ("Affiliates"). The bank notes and commercial paper will bear interest at the prevailing market rate at the time of issuance. The proceeds from the borrowings will be used to finance seasonal working capital requirements.

THE COMMISSION, upon consideration of the application and having been advised by Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) WGL is authorized to incur short-term indebtedness in an amount not to exceed $200,000,000 outstanding at any time from October 1, 1996, through September 30, 1997, under the terms and conditions and for the purposes set forth in the application.

2) WGL is authorized to sell up to $20,000,000 of its authorized short-term debt in the form of commercial paper to Affiliates, under the terms and conditions and for the purposes set forth in the application.

3) The authority granted herein shall not preclude the Commission from applying the provisions of Section 56-78 and 56-80 of the Code of Virginia hereafter.

4) The Commission reserves the right to examine the books and records of any affiliate, whether or not such affiliate is regulated by this Commission, in connection with the authority granted herein, pursuant to Section 56-79 of the Code of Virginia.

5) Approval of the application shall have no implications for ratemaking purposes.

6) Applicant shall file a report of action on or before December 31, 1997, that shows WGL's daily short-term debt activity from October 1, 1996, through September 30, 1997, pursuant to the authority granted herein to include the type, amount, date, maturity, and interest rate of each borrowing, the average daily balance and maximum outstanding balance for each month, any commissions or fees paid in connection with short-term debt, and a balance sheet as of September 30, 1997.

7) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF960013
AUGUST 26, 1996

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY
and
SHENANDOAH GAS COMPANY

For authority to make and receive interest-bearing cash advances on open account

ORDER GRANTING AUTHORITY

On August 16, 1996, Washington Gas Light Company ("WGL") and Shenandoah Gas Company ("Shenandoah") (collectively, "Applicants") filed an application under Chapters 3 and 4 of Title 56 of the Code of Virginia for authority for WGL to make, and Shenandoah to receive, interest bearing cash advances ("Advances") on open account. Applicants have paid the requisite fee of $250.

WGL proposes to make Advances to Shenandoah and Shenandoah proposes to receive such Advances, up to the aggregate outstanding amount of $44,000,000 from October 1, 1996, through September 30, 1997. The advances will be used to finance construction programs, gas purchases, and other proper corporate purposes of Shenandoah. The interest rate on the advances will be determined based on WGL's consolidated embedded cost of senior capital, including short-term debt and preferred stock, adjusted to exclude non-utility subsidiary investment. This interest rate will be calculated on a monthly basis.

THE COMMISSION, upon consideration of the application and having been advised by Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) WGL is authorized to make open account Advances to its affiliate Shenandoah, from October 1, 1996, through September 30, 1997.

2) Shenandoah is authorized to receive open account Advances from WGL.

3) The total aggregate amount outstanding at any one time of Advances made to Shenandoah shall be $44,000,000.

4) The Advances shall be made under the terms and conditions and for the purposes set forth in the application.

5) The cost rate on the Advances shall reflect the methodologies approved in WGL's most recent general rate case, based on WGL's consolidated embedded cost of senior capital, excluding non-utility subsidiary investment.

6) 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.

7) 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.

8) Approval of the application shall have no implications for ratemaking purposes.

9) Applicant shall file a report of the action taken pursuant to the authority granted herein on or before December 31, 1997, including a schedule of Advances, showing the outstanding Advance balance on September 30, 1996, the amount and date of subsequent Advances, the corresponding interest rates, any repayments made by Shenandoah, and the maximum outstanding balance during each month.

10) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF960014
AUGUST 28, 1996

APPLICATION OF
ROANOKE & BOTETOURT TELEPHONE COMPANY

For authority to incur long-term indebtedness

ORDER GRANTING AUTHORITY

On August 7, 1996, Roanoke & Botetourt Telephone Company filed an application under Chapter 3 of Title 56 of the Code of Virginia for authority to borrow long-term debt from the Rural Telephone Bank ("RTB"). Applicant has paid the requisite fee of $25.

By Order dated November 26, 1991 and Amending Order dated December 16, 1991, in Case No. PUF910038, Applicant was authorized to borrow up to $5,352,059 from the Rural Telephone Bank and The Rural Electrification Administration ("REA"). To date, Applicant has borrowed $2,043,424 of the authorized amount. Therefore, Applicant has remaining authority to borrow an additional $3,308,635 under the loan agreement with RTB. However, under the terms of the loan agreement in place at the time the Commission Orders were issued, Applicant had 5 years from the date of the loan agreement to draw down the entire loan amount. Since its initial application was filed, Applicant represents that Congress has extended the draw down period from the initial 5 year period to the life of the loan, or 35 years. All other terms of the original application remain unchanged.

Applicant now requests authority to borrow the remaining $3,308,635 under the terms of the original application on or before June 27, 2026. Each advance of funds under the note with RTB requires interest to be paid at a fixed rate based on the cost of money to the Treasury.

THE COMMISSION, upon consideration of the application and having been advised by Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is authorized to borrow up to $3,308,635 through June 27, 2026, under the term and conditions and for the purposes stated in its application.

2) The authority granted in Case No. PUF910038 is terminated and superseded by the authority granted herein.

3) There appearing nothing further to be done in this case, this matter is hereby closed.

CASE NO. PUF960015
SEPTEMBER 16, 1996

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For authority to issue debt securities, preferred stock, and common stock

ORDER GRANTING AUTHORITY

On August 23, 1996, Washington Gas Light Company ("Applicant") filed an application for authority under Chapter 3 of Title 56 of the Code of Virginia to issue and sell up to $255.9 million in debt securities, issue up to $50 million of preferred stock, and issue up to 9,000,000 shares of common stock. By letter dated September 12, 1996, Applicant amended its application to withdraw its request for authority to issue tax-advantaged preferred stock. Applicant paid the requisite fee of $250.

Applicant requests authority to issue up to $255.9 million of debt securities in the form of first mortgage bonds, debentures, loans, medium term notes ("MTN"), debt securities which may be convertible into common stock, or other forms of long-term debt. In conjunction, Applicant seeks authority to issue up to $40.9 million of the total $255.9 million debt requested for the potential refunding of higher cost outstanding debt. Applicant also seeks authority to issue the proposed debt securities through one or more public offerings, private placements, or Eurodollar market offerings, depending on capital market conditions at the time of issuance. The proposed debt securities will be issued with a maturity of not less than one year. Applicant represents that the effective cost on any of the debt issued will not exceed 200 basis points above the most comparable maturity U.S. Treasury securities, excluding issuance costs. Applicant further requests the authority to issue this debt at any time within the two-year effective period of its Shelf Registration with the Securities and Exchange Commission ("SEC"). Should Applicant issue MTN which mature prior to the end of the two-year period of authority, Applicant requests authorization to replace maturing MTN with new debt securities.

Additionally, Applicant requests authority to issue and sell up to $50 million of preferred stock at any time during the same authorization period applicable to the $255.9 million of proposed debt securities. Applicant seeks the flexibility to issue the preferred stock as fixed-rate, adjustable-rate, auction-rate, perpetual, convertible, or other forms excluding tax-advantaged preferred, depending on market conditions at the time of issuance.

Lastly, Applicant requests authority to cumulatively issue up to 9,000,000 additional shares of common stock. Applicant seeks authorization to issue up to 3,500,000 shares of common stock through one or more public offerings during the same authorization period applicable to the proposed $255.9 million of debt. Applicant also requests the authority to issue up to 2,500,000 additional shares of common stock on an on-going basis through its Dividend Reinvestment and Common Stock Purchase Plan ("DRP") and other common stock plans. Finally, Applicant seeks authorization to issue and sell up to 3,000,000 shares of common stock at any time as provided through conversion features underlying any convertible debt or preferred stock, which may be issued under the authority requested in this case.

Applicant represents that funds obtained from the proposed security issuances will be used for on-going capital expenditures, working capital requirements, payment of sinking funds, replacement of maturing debt, and for the potential refunding of debt prior to maturity if market conditions make it attractive to do so.

THE COMMISSION, upon consideration of the application and having been advised by Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. However, the Commission is of the further opinion that the authority granted should be for a defined period of two years beginning January 1, 1997, instead of a period beginning with an uncertain SEC filing date. Accordingly,

IT IS ORDERED THAT:

1) Applicant is authorized to:

(a) issue and sell additional long-term debt securities up to an aggregate principal amount of $255.9 million;

(b) issue and sell additional preferred stock up to an aggregate principal amount of $50 million;

(c) issue and sell up to 3,500,000 additional shares of common stock in one or more public offerings;

from January 1, 1997, through January 1, 1999, all in a manner, under the terms and conditions, and for the purposes as set forth in the application, provided that any securities issued to refund outstanding debt prior to maturity result in cost savings to Applicant.

2) Applicant is authorized to issue debt securities to replace any medium-term notes that are issued and mature within the two-year period authorized in ordering paragraph (1), as set forth in the application.

3) Any debt securities authorized herein shall be issued at a yield (stated interest rate adjusted for discount or premium) that shall not exceed the yield to maturity at the time of issuance on United States Treasury securities of comparable maturity by 200 basis points, excluding issuance costs.

4) Any fixed rate preferred stock security authorized herein shall be issued at an effective rate (stated dividend rate adjusted for discount or premium), that shall not exceed the yield to maturity at the time of issuance on municipal debt issues of comparable maturity and quality by 150 basis points, excluding issuance costs.

5) Within forty-five (45) days after each SEC filing pertaining to the securities in ordering paragraph (1), Applicant shall file a copy of the SEC registration statement, a copy of the basic prospectus filed with the SEC, and a list describing any other filings, contracts, or agreements in conjunction with the issuance, including any affiliation, direct or indirect, through directors, stockholders, or ownership of securities between Applicant and the agent.

6) Applicant shall submit a preliminary report within seven (7) days after the issuance of any security pursuant to ordering paragraphs (1) and (2) which includes the date of issuance, type of security, amount, interest or dividend rate thereon, and comparable yield data confirming that the maximum rate for long-term debt or preferred stock in ordering paragraphs (3) and (4) was not exceeded.

7) Within sixty (60) days after the end of each calendar quarter in which any securities are issued pursuant to ordering paragraphs 1 and 2, Applicant shall file a more detailed report with respect to all securities sold during the calendar quarter including:

(a) the issuance date, type, amount, interest or dividend rate, date of maturity, underwriters' names, underwriters' fees, other issuance expenses to date, and net proceeds to Applicant;

(b) a copy of any terms or conditions not previously provided (e.g., conversion provisions, indenture amendments, charter amendments, etc.) which were executed for the purpose of issuing any security under ordering paragraphs (1) and (2);

(c) the cumulative principal amount issued under the authority granted herein, and the amount remaining to be issued;

(d) a general statement of the purposes for which the securities were issued, and if the purpose is for the early redemption of an outstanding issue, to provide a schedule showing any associated losses on reacquired debt along with a calculation of the refunding issue's effective cost rate after inclusion of any related losses on reacquired debt, and overall cost savings from the refunding;

(e) change in capital structure due to issue(s), and a balance sheet as of the respective quarter ended.

8) Applicant is authorized to issue and sell up to 2,500,000 additional shares of common stock through its DRP and other stock plans.

9) Applicant is authorized to issue and sell up to 3,000,000 shares of common stock as provided by the conversion feature underlying any convertible debt security or preferred stock shares issued pursuant to ordering paragraphs (1) and (2).

10) Approval of the application shall have no implications for ratemaking purposes.

11) Applicant shall file a final Report of Action on or before March 31, 1999, showing actual expenses and fees paid to date for the proposed financing, and an explanation of any variance from the estimated expenses contained in the Financing Summary attached to the application.

12) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF960017
OCTOBER 11, 1996

APPLICATION OF
RAPPAHANNOCK ELECTRIC COOPERATIVE

For authority to issue long-term debt

ORDER GRANTING AUTHORITY

On September 26, 1996, Rappahannock Electric Cooperative ("Rappahannock" or "Applicant) filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to incur long-term indebtedness with the Rural Utilities Services ("RUS") and the National Bank for Cooperatives ("CoBank"). Applicant has paid the requisite fee of $250.

Applicant requests authority to obtain financing from RUS in the amount of $18,060,000 and from CoBank in the amount of $7,740,000. The proceeds will be used to fund new construction and system improvements. The two portions of the loan will have concurrent maturities of thirty-five years. The loan from RUS may be drawn down from time to time and will carry a rate not to exceed 7% per year. The CoBank loan may have variable or fixed interest rates depending on market conditions at the time of the drawdown.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to borrow up to $18,060,000 from RUS and to borrow up to $7,740,000 from CoBank, under the terms and conditions and for the purposes set forth in the application.

2) Within thirty (30) days of the date of any advance of funds from either RUS or CoBank, Applicant shall file with the Commission's Division of Economics and Finance a Report of Action which shall include the amount of the advance, the interest rate selected, and the interest rate maturity.

3) Approval of this application shall have no implications for ratemaking purposes.

4) There being nothing further to be done, this matter is hereby dismissed.

CASE NO. PUF960018
NOVEMBER 22, 1996

APPLICATION OF
UNITED CITIES GAS COMPANY

For authority to incur short-term indebtedness

ORDER GRANTING AUTHORITY

On November 6, 1996, United Cities Gas Company ("United Cities" or "Applicant) filed an application with the Commission under Chapters 3 and 4 of Title 56 of the Code of Virginia requesting authority to incur short-term indebtedness. The amount of short-term debt proposed in this application is in excess of twelve percent of capitalization as defined in Section 56-65.1 of the Code of Virginia. Applicant has paid the requisite fee of $250.

Applicant requests authority to borrow up to $79,000,000 of short-term debt during calendar year 1997. Applicant proposes to borrow the short-term funds by making draw-downs under Master Note arrangements already in place with several banks. Under the Master Note agreements the interest rates are required to be either negotiated or the equivalent of the then-prevailing prime commercial lending rate at the time of the draw-down, with principal and interest paid on a set maturity date. In addition, Applicant has requested authority to borrow and/or lend short-term debt among it and its subsidiaries up to a maximum of $10,000,000 outstanding at any one time for maturity periods of less than twelve months. The interest rates on the affiliate transactions will be equal to the average of the prime rate and the rate available to the lending company as an alternative investment rate for a similar amount and term, but in no case will the rate be less than the cost of those funds to the lending company.

Applicant states that the funds will be used to increase working capital and for the construction, extension, improvement, and/or additions to its facilities until financial market conditions are appropriate for entering into long-term financing arrangements.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. However, the Commission is aware of the pending merger between United Cities and Atmos Energy Corporation (Case No. PUE960232). The Company should note that any short-term debt authority granted United Cities in the current case will cease upon execution of the merger. Separate authority will be needed for the surviving entity, Atmos Energy Corporation, to issue short-term debt in excess of twelve percent of capitalization and to borrow and/or lend short-term debt among it and its subsidiaries. Therefore, the Commission is of the further opinion and finds that the authority granted herein shall be for the calendar year ended December 31, 1997, or until a merger between United Cities and Atmos Energy Corporation occurs. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to issue short-term debt in excess of twelve percent of capitalization in an aggregate amount outstanding not to exceed $79,000,000 at any one time for the calendar year ended December 31, 1997, or until a merger between United Cities and Atmos Energy Corporation occurs, under the terms and conditions and for the purposes set forth in the application and as modified herein.

2) Applicant is hereby authorized to lend and borrow short-term debt among it and its subsidiaries up to an aggregate amount of $10,000,000 for the calendar year ended December 31, 1997, or until a merger between United Cities and Atmos Energy Corporation occurs, under the terms and conditions and for the purposes set forth in the application and as modified herein.

3) Applicant shall file within 60 days of the end of each quarter commencing on May 31, 1997, a report regarding short-term debt financing to include the date, amount, interest rate of each draw-down, interest coverage ratios calculated in accordance with applicant's indenture agreement, the use of the proceeds, the average monthly balances, the monthly maximum amount outstanding, the associated costs, and a balance sheet reflecting actions taken as well as a report describing the source, amount, date, interest rate and the schedule of repayment for each affiliate loan/borrowing.

4) The authority granted herein shall not preclude the Commission from applying the provisions of Sections 56-78 and 56-80 of the Code of Virginia hereafter.

5) The Commission reserves the right to examine the books and records of any affiliate, whether or not such affiliate is regulated by this Commission, in connection with the authority granted herein, pursuant to Section 56-79 of the Code of Virginia.

6) The authority granted herein shall have no implications for ratemaking purposes.

7) This matter shall remain under the continued review, audit and appropriate directive of the Commission.

CASE NO. PUF960019
DECEMBER 13, 1996

APPLICATION OF
COMMONWEALTH GAS SERVICES, INC.
and
THE COLUMBIA GAS SYSTEM, INC.

For authority to issue long-term debt for refinancing

ORDER GRANTING AUTHORITY

On November 14, 1996, Commonwealth Gas Services, Inc. ("Commonwealth" or "Applicant") and The Columbia Gas System, Inc. ("Columbia" or "System") filed an application under Chapters 3 and 4 of Title 56 of the Code of Virginia requesting authority for Commonwealth to issue and sell up to $91,700,000 of New Promissory Notes ("New Notes") to the System. Upon receipt of Commonwealth's financing summary on November 20, 1996, the application was deemed complete. Applicant has paid the requisite fee of $250.

As part of System's plan of reorganization, on November 28, 1995, Columbia issued $2 billion in new long-term debt securities in the form of debentures with maturities ranging from five to thirty years and an average cost of approximately 7.02%. The goal of Commonwealth's refinancing proposed herein is to have the principal amounts, maturities, and interest rates correspond to the structure of the System debentures issued on November 28, 1995.

Applicant anticipates issuing seven series of notes with maturities ranging from four to twenty-nine years. The interest rates on the New Notes will be at a fixed rate, with the seven series having a weighted average aggregate interest cost not exceeding 7.52%, approximately a 50 basis point premium above Columbia's coupon rate on its debentures. This premium is intended to allow recovery of costs Columbia incurred in the issuance of the debentures. The proceeds will be used to refinance all of Commonwealth's outstanding intercompany long-term debt. Applicant anticipates that the refinancing will take place on or before December 31, 1996.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. However, we will fully address the appropriate level of and proper ratemaking treatment for the issuance costs associated with the Columbia debentures in the context of Commonwealth's next rate related matter. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to issue and sell to System up to $91,700,000 of New Notes through December 31, 1996, in all manner, and under the terms and conditions, and for the purposes set forth in the application, provided that such issuance results in savings to Applicant.

2) Applicant shall file by February 28, 1997, a detailed Report of Action related to the debentures issued by Columbia to include: a detailed analysis of the savings due to the new debentures showing the effective cost rates of the redeemed long-term debt compared to the debentures, all terms and conditions of the debentures, an itemized listing of all fees and/or issuance expenses associated with the debentures to includes a detailed account of any loss on reacquired debt, net proceeds to Applicant, a list describing any filings, contracts, or agreements executed in conjunction with the debentures, and a list showing all expenses associated with the intercompany refinancing proposed in this application, and a Commonwealth balance sheet reflecting the actions taken.

3) Approval of this application shall have no implications for ratemaking purposes.

4) 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.

5) The Commission reserves the right to examine the books and records of any affiliate, whether or not such affiliate is regulated by this Commission, in connection with the authority granted herein, pursuant to Section 56-79 of the Code of Virginia.

6) This matter shall be continued, subject to the continued review, audit and appropriate directive of the Commission.

CASE NO. PUF960021
DECEMBER 12, 1996

APPLICATION OF
COMMONWEALTH GAS SERVICES, INC.
and
THE COLUMBIA GAS SYSTEM, INC.

For approval of intercompany financing for 1997

ORDER GRANTING AUTHORITY

On November 20, 1996, Commonwealth Gas Services, Inc. ("Commonwealth" or "Applicant") and The Columbia Gas System, Inc. ("Columbia" or "System") filed an application under Chapters 3 and 4 of Title 56 of the Code of Virginia requesting authority to enter into intercompany financing arrangements during 1997. The amount of short-term debt authority requested in the application is in excess of twelve (12) percent of total capitalization as defined in Section 56-65.1 of the Code of Virginia. Applicant has paid the requisite fee of $250.

Commonwealth requests authority to enter into the following financing arrangements with the System, its parent company, during the calendar year 1997: 1) to issue and sell Promissory Notes and/or Common Stock not to exceed $30,000,000 in combined total; 2) to borrow up to $39,000,000 in short-term loans from other affiliated companies through the Intrasystem Money Pool ("Money Pool"); 3) to invest temporary excess cash in the Money Pool from time to time.

The proceeds from the Promissory Notes and/or Common Stock will be used to fund Commonwealth's construction program and for other corporate requirements. The short-term financing from the Money Pool loans will be used for peak short-term requirements such as gas purchases and related storage activities.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to enter into the following financial transactions:

a) to issue and sell Promissory Notes and/or Common Stock to the System in combined total not to exceed $30,000,000;

b) to borrow up to $39,000,000 through the Money Pool from the System and/or other affiliates in excess of twelve percent of total capitalization; and

c) to invest temporary excess cash in the Money Pool;

from January 1, 1997 through December 31, 1997, in all manner, and under the terms and conditions, and for the purposes set forth in the application.

2) Approval of this application shall have no implications for ratemaking purposes.

3) The authority granted herein shall not preclude the Commission from applying the provisions of Sections 56-78 and 56-80 of the Code of Virginia hereafter.

4) The Commission reserves the right to examine the books and records of any affiliate, whether or not such affiliate is regulated by this Commission, in connection with the authority granted herein, pursuant to Section 56-79 of the Code of Virginia.

5) Applicant shall file quarterly reports of action within 60 days of the end of each calendar quarter following the date of this order, to include:

a) a monthly schedule of Money Pool borrowings, segmented by borrower (whether System or affiliate);

b) monthly schedules that separately reflect interest expenses, each type of allocated fee, and an explanation of how both the interest rate and allocated fee have been calculated;

c) monthly schedules of the System's borrowings under any letter or line of credit agreements;

d) a report detailing the issuance of Common Stock, to include the number of shares and price per share, date of issuance, and use of the proceeds;

e) a report detailing the issuance of any Promissory Notes, to include the date of the issue, face amount issued, date of maturity, quarterly principal repayment schedule, the interest rate and method for setting the interest rate, and the U.S. Treasury rate of comparable maturity.

6) Applicant shall file a final report of action on or before February 28, 1998, to include data for the fourth quarter of 1997 as prescribed in ordering paragraph (5) herein.

7) This matter shall be continued, subject to the continued review, audit and appropriate directive of the Commission.

CASE NO. PUF960022
DECEMBER 19, 1996

APPLICATION OF
DELMARVA POWER AND LIGHT COMPANY

For authority to incur short-term indebtedness

ORDER GRANTING AUTHORITY

On November 25, 1996, Delmarva Power and Light Company ("Applicant" or the "Company") filed an application under Chapter 3 of Title 56 of the Code of Virginia for authority to issue up to $275,000,000 of short-term debt through December 31, 1999. The proposed amount of short-term debt is in excess of 12% of capitalization as defined in § 56-65.1. Applicant paid the requisite fee of $250.

Delmarva currently has authority to incur up to $150,000,000 of short-term debt through December 31, 1996, under Commission Order dated December 17, 1993, in Case No. PUF930059.

Applicant intends to issue the proposed short-term debt through commercial paper and unsecured loans. Applicant states that the funds will be used to meet temporary working capital requirements and as interim or bridge financing for long-term capital requirements and for other proper corporate purposes.

THE COMMISSION, upon consideration of the application and having been advised by Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) The authority granted in Case No. PUF930059 is hereby terminated and superseded by the authority granted herein.

2) Applicant is hereby authorized to issue short-term debt in excess of 12% capitalization in an aggregate amount outstanding not to exceed $275,000,000 at any one time through the period ending December 31, 1999, under the terms and conditions and for the purposes set forth in the application.

3) Applicant shall file a Report of Action on or before January 31, 1997, January 31, 1998, January 31, 1999, and January 31, 2000, for each preceding year regarding short-term debt financing to include the amount, issuance and maturity dates, and interest rate of each issue along with information concerning the average monthly balance, the maximum aggregate amount outstanding each month, use of the proceeds, and any expenses, commissions or fees paid in connection with short-term debt.

4) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF960023
DECEMBER 19, 1996

APPLICATION OF
DELMARVA POWER AND LIGHT COMPANY

For authority to issue common stock and/or debt securities

ORDER GRANTING AUTHORITY

On November 26, 1996, Delmarva Power and Light Company ("Applicant" or the "Company") filed an application for authority under Chapter 3 of Title 56 of the Code of Virginia to issue (1) up to $124,200,000 of any combination of the Company's common stock, par value $2.25 per share (the "Common Stock"), and/or secured or unsecured debt securities (the "Debt Securities" and, together with the Common Stock, the "Proposed Securities") through December 31, 1998, and (2) up to 6,000,000 additional shares of the Company's common stock, par value $2.25 per share (the "Shares"), under the Company's Dividend Reinvestment and Common Share Purchase Plan (the "Plan"). Applicant paid the requisite fee of $250.

Applicant requests authority to issue the Common Stock and/or the Debt Securities, comprised of First Mortgage Bonds, which may be designated as Secured Medium-Term Notes, issued under the Company's Mortgage and Deed of Trust (the "Bonds") and/or unsecured Medium-Term

Notes (the "Notes"), or any combination thereof. Applicant plans to issue the Debt Securities with maturities ranging from 9 months to 40 years. Applicant requests broad flexibility regarding the actual terms and conditions of the Proposed Securities to accommodate prevailing market conditions at the time of issuance.

Applicant also proposes to issue up to 6,000,000 Shares for issuance to stockholders under the Plan. Delmarva anticipates that the 6,000,000 Shares will be sufficient to satisfy the purchasing requirements of the Plan for a five-year period. The actual time it will take to issue the requested number of shares under the Plan will be determined by the level of stockholder participation in the Plan, the amount of the dividend and the stock price at the time of purchase under the Plan.

The net proceeds from the issuance of the Shares and the sale of the Proposed Securities will be added to the Company's general funds and used for financing the capital requirements of the Company, including the Company's ongoing construction program, financing acquisitions of other entities or facilities, refunding or redeeming, in whole or in part, certain of the Company's outstanding securities, maintenance of service and other proper corporate purposes, including the repayment of short-term debt.

THE COMMISSION, upon consideration of the application and having been advised by Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to issue and sell up to $124,200,000 of additional Common Stock and/or Debt Securities through December 31, 1998, all in a manner, under the terms and conditions, and for the purposes as set forth in the application, provided that any Debt Securities issued to refund outstanding debt prior to maturity results in cost savings to Applicant.

2) Applicant is hereby authorized to issue up to 6,000,000 Shares under the Plan until all of such Shares authorized herein have been issued, in a manner, under the terms and conditions, and for the purposes set forth in the application.

3) The interest rate on any Debt Securities issued under the authority granted herein shall not exceed 200 basis points above the yield on a United States Treasury Security of comparable maturity.

4) Applicant shall submit a Preliminary Report within 7 days after the issuance of any Proposed Securities pursuant to this Order to include the date of issuance, type of security, amount issued, interest rate, and proceeds to the Company.

5) Within sixty (60) days after the end of each calendar quarter through the quarter ending September 30, 1998, in which any Proposed Securities are issued pursuant to this Order, Applicant shall file a more detailed report with respect to all Proposed Securities sold during the calendar quarter to include:

(a) A list of agreements executed for the purpose of issuing Proposed Securities;

(b) The issuance date, type of security, amount issued, interest rate, price, comparable term Treasury yield (or interpolated yield) at the time of issuance, date of maturity, underwriters' names, underwriters' fees, other issuance expenses to date, and net proceeds to Applicant, as each term may be applicable to the particular issuance;

(c) The cumulative principal amount of Proposed Securities issued under the authority granted herein, and the amount remaining under the authority for issuance;

(d) A general statement of the purposes for which the Proposed Securities were issued, and if the purpose is for the early redemption of an outstanding issue, to provide a schedule showing any associated losses on reacquired debt along with a calculation of the refunding issue's effective cost rate after inclusion of any related losses on reacquired debt, and overall cost savings from the refunding;

(e) A balance sheet as of the respective quarter ended that reflects the change in capital structure due to the securities issued.

6) Applicant shall file a final Report of Action or before March 31, 1999, to include all information required in Ordering Paragraph 5 with respect to any Proposed Securities issued during the quarter ended December 31, 1998, and a detailed account of the expenses and fees paid to date for all Proposed Securities issued.

7) No reporting requirements shall be required for the Shares authorized for issuance under the Plan in Ordering Paragraph 2.

8) Approval of the application shall have no implications for ratemaking purposes.

9) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF960025
DECEMBER 20, 1996

APPLICATION OF
VIRGINIA GAS DISTRIBUTION COMPANY

For authority to incur indebtedness

ORDER GRANTING AUTHORITY

On December 4, 1996, Virginia Gas Distribution Company ("Applicant" or "VGDC") filed an application with the Commission under Chapters 3 and 4 of Title 56 of the Code of Virginia. Applicant has paid the requisite fee of $250.

Applicant requests authority to borrow up to $3,650,000 of debt from its parent company, Virginia Gas Company ("VGC"), in the form of a promissory note. Applicant also proposes to lend up to $1,000,000 of the loan to an affiliate, Virginia Gas Storage Company ("VGSC"), in the form of a promissory note for the purpose of acquiring additional assets in support of VGDC's distribution operations.

Applicant states that funds for the proposed financing arrangements will come from the issuance of up to $10,000,000 of Exempt Facility Revenue Bonds ("the Bonds") by the Industrial Development Authority of Russell County ("the Authority") on behalf of VGDC and its affiliates, VGC, VGSC, Virginia Gas Exploration Company ("VGEC"), and Virginia Gas Pipeline Company ("VGPC"), for the purpose of providing funds to acquire, improve, construct and equip a natural gas distribution facility in the town of Lebanon, Russell County, Virginia.

Applicant states that VGC will enter into a loan agreement with the Authority to execute and deliver a promissory note ("the Note") to the Authority in the principal amount of the Bonds at the time of issuance. The Note will reflect the maturity, interest rate, and repayment schedule of the Bonds. The intercompany financing transactions proposed by Applicant will also have the same maturity, interest rate, and repayment schedule as VGC's Note to the Authority.

THE COMMISSION, upon consideration of the application, and having been advised by its Staff, is of the opinion and finds that approval of the authority requested will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is authorized from the date of this Order through September 30, 1997:

   (a) to issue up to $3,650,000 aggregate principal of debt in the form of a promissory note to VGC; and

   (b) to loan up to $1,000,000 of the proceeds from the amount borrowed under the authority granted in ordering paragraph 1(a) to VGSC in the form of a promissory note;

all in the manner, under the terms and conditions, and for the purposes as set forth in the application.

2) Approval of the application shall have no implications for ratemaking purposes.

3) Any subsequent financing arrangements with affiliates or other affiliate agreements shall require separate authority, which shall not be implied by approval of the application herein.

4) Approval of the application shall not preclude the Commission from applying the provisions of Sections 56-78 and 56- 80 of the Code of Virginia hereafter.

5) The Commission reserves the right to examine the books and records of any affiliate, whether or not such affiliate is regulated by this Commission, in connection with the authority granted herein, pursuant to section 56-79 of the Code of Virginia.

6) Applicant shall file a report of action within 60 days of each calendar quarter ended in which any action is taken pursuant to ordering paragraph 1, to include:

   (a) the principal amount, interest rate, date of issuance, maturity date, and payment terms of Bonds issued by the Authority;

   (b) a copy of the financing arrangement, containing all terms and conditions of the Note from VGC to the Authority for the principal amount of the Bonds issued; and

   (c) a copy of the proposed affiliate financing arrangements, containing all terms and conditions of promissory notes from VGDC to VGC and from VGSC to VGDC.

7) Applicant shall file a final report of action on or before December 1, 1997, to include:

   (a) a balance sheet for VGC, VGDC, and VGSC respectively, reflecting the actions taken; and

   (b) a detailed account of all issuance costs incurred to date on the Bonds, the amount to be paid by VGC, and the amount and methodology used to allocate any such issuance costs to affiliate financings authorized in ordering paragraph 1.

8) This matter be continued, subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUF960026
DECEMBER 20, 1996

APPLICATION OF
VIRGINIA GAS STORAGE COMPANY

For authority to incur indebtedness

ORDER GRANTING AUTHORITY

On December 4, 1996, Virginia Gas Storage Company ("Applicant" or "VGSC") filed an application with the Commission under Chapters 3 and 4 of Title 56 of the Code of Virginia. Applicant has paid the requisite fee of $250.

Applicant requests authority to borrow up to $1,000,000 from an affiliate, Virginia Gas Distribution Company ("VGDC"), in the form of a promissory note. The funds represent a portion of the $3,650,000 loan proceeds to be allocated to VGDC from Virginia Gas Company ("VGC"), its parent, for the purpose of acquiring additional assets in support of VGDC's distribution operations.

Applicant states that funds for the proposed financing arrangements will come from the issuance of up to $10,000,000 of Exempt Facility Revenue Bonds ("the Bonds") by the Industrial Development Authority of Russell County ("the Authority") on behalf of VGDC and its affiliates, VGC, Virginia Gas Exploration Company ("VGEC"), Virginia Gas Storage Company ("VGSC"), and Virginia Gas Pipeline Company ("VGPC") for the purpose of providing funds to acquire, improve, construct and equip a natural gas distribution facility in the town of Lebanon in Russell County, Virginia, and supporting facilities in the Virginia Counties of Buchanan, Dickenson, Scott, Washington and Smyth.

Applicant states that VGC will enter into a loan agreement with the Authority to execute and deliver a promissory note ("the Note") to the Authority in the principal amount of the Bonds at the time of issuance. The Note will reflect the maturity, interest rate, and repayment schedule of the Bonds. The intercompany financing transactions proposed by Applicant will also have the same maturity, interest rate, and repayment schedule as VGC's Note to the Authority.

THE COMMISSION, upon consideration of the application, and having been advised by its Staff, is of the opinion and finds that approval of the authority requested will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is authorized from the date of this Order through September 30, 1997, to borrow up to $1,000,000 aggregate principal of debt in the form of a promissory note from VGDC, all in the manner, under the terms and conditions, and for the purposes as set forth in the application.

2) Approval of the application shall have no implications for ratemaking purposes.

3) Any subsequent financing arrangements with affiliates or other affiliate agreements shall require separate authority, which shall not be implied by approval of the application herein.

4) Approval of the application shall not preclude the Commission from applying the provisions of Sections 56-78 and 56- 80 of the Code of Virginia hereafter.

5) The Commission reserves the right to examine the books and records of any affiliate, whether or not such affiliate is regulated by this Commission, in connection with the authority granted herein, pursuant to section 56-79 of the Code of Virginia.

6) Applicant shall file a report of action within 60 days of each calendar quarter ended in which any action is taken pursuant to ordering paragraph 1, to include:

(a) the principal amount, interest rate, date of issuance, maturity date, and payment terms of Bonds issued by the Authority;

(b) a copy of the financing arrangement, containing all terms and conditions of the Note from VGC to the Authority for the principal amount of the Bonds issued; and

(c) a copy of the proposed affiliate financing arrangements, containing all terms and conditions of promissory notes from VGSC to VGDC and from VGDC to VGC.

7) Applicant shall file a final report of action on or before December 1, 1997, to include:

(a) a balance sheet for VGC, VGDC, and VGSC respectively, reflecting the actions taken; and

(b) a detailed account of all issuance costs incurred to date on the Bonds, the amount to be paid by VGC, and the amount and methodology used to allocate any such issuance costs to affiliate financings authorized in ordering paragraph 1.

8) This matter be continued, subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUF960030
DECEMBER 20, 1996

APPLICATION OF
ROANOKE GAS COMPANY

For authority to issue common stock

ORDER GRANTING AUTHORITY

On December 5, 1996, Roanoke Gas Company ("Roanoke Gas", "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia for authority to issue common stock in connection with its Restricted Stock Plan for Outside Directors. Applicant has paid the requisite fee of $250.

Roanoke Gas proposes to issue up to 50,000 shares of common stock through its newly created Restricted Stock Plan for Outside Directors ("the Plan"). Under the Plan, outside directors will be required to receive no less than 40% of their retainer fee in the form of restricted stock, with the option to receive up to 100% of such fees in the form of restricted stock. The price of shares optioned under the Plan will be the closing price on the NASDAQ National Market on the first day of the month for which the outside directors compensation is made and if the first day of the month is not a trading day then the first trading day prior to such day.

Applicant represents that it will save capital funds through the intended use of shares under the plan. These funds will be applied toward Roanoke Gas' capital requirements and for other proper corporate purposes.

THE COMMISSION, upon consideration of the application and having been advised by Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is authorized to issue up to 50,000 shares of common stock pursuant to its Restricted Stock Plan for Outside Directors, for the purposes and under the terms and conditions set for in the application.

2) Applicant shall seek subsequent approval from the Commission if the terms and conditions of the Restricted Stock Plan for Outside Directors should change.

3) The authority granted herein shall have no implications for ratemaking purposes.

4) There appearing nothing further to be done in this case, this matter is hereby closed.

CASE NO. PUF960031
DECEMBER 20, 1996

APPLICATION OF
VIRGINIA GAS PIPELINE COMPANY

For authority to incur indebtedness

ORDER GRANTING AUTHORITY

On December 4, 1996, Virginia Gas Pipeline Company ("Applicant" or "VGPC") filed an application with the Commission under Chapters 3 and 4 of Title 56 of the Code of Virginia. Applicant has paid the requisite fee of $250.

Applicant requests authority to borrow up to $5,350,000 of debt from its parent company, Virginia Gas Company ("VGC"), in the form of a promissory note for the purpose of acquiring additional assets in support of Virginia Gas Distribution Company's ("VGDC") distribution operations.

Applicant states that funds for the proposed financing arrangements will come from the issuance of up to $10,000,000 of Exempt Facility Revenue Bonds ("the Bonds") by the Industrial Development Authority of Russell County ("the Authority") on behalf of VGPC and its affiliates, VGC, VGDC, Virginia Gas Exploration Company ("VGEC"), and Virginia Gas Storage Company ("VGSC"), for the purpose of providing funds to acquire, improve, construct and equip a natural gas distribution facility in the town of Lebanon in Russell County, Virginia.

Applicant states that VGC will enter into a loan agreement with the Authority to execute and deliver a promissory note ("the Note") to the Authority in the principal amount of the Bonds at the time of issuance. The Note will reflect the maturity, interest rate, and repayment schedule of the Bonds. The intercompany financing transactions proposed by Applicant will also have the same maturity, interest rate, and repayment schedule as VGC's Note to the Authority.

THE COMMISSION, upon consideration of the application, and having been advised by its Staff, is of the opinion and finds that approval of the authority requested will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is authorized from the date of this Order through September 30, 1997, to issue up to $5,350,000 aggregate principal of debt in the form of a promissory note to VGC, all in the manner, under the terms and conditions, and for the purposes as set forth in the application.

2) Approval of the application shall have no implications for ratemaking purposes.

3) Any subsequent financing arrangements with affiliates or other affiliate agreements shall require separate authority, which shall not be implied by approval of the application herein.

4) Approval of the application shall not preclude the Commission from applying the provisions of Sections 56-78 and 56- 80 of the Code of Virginia hereafter.

5) The Commission reserves the right to examine the books and records of any affiliate, whether or not such affiliate is regulated by this Commission, in connection with the authority granted herein, pursuant to section 56-79 of the Code of Virginia.

6) Applicant shall file a report of action within 60 days of each calendar quarter ended in which any action is taken pursuant to ordering paragraph 1, to include:

(a) the principal amount, interest rate, date of issuance, maturity date, and payment terms of Bonds issued by the Authority;

(b) a copy of the financing arrangement, containing all terms and conditions of the Note from VGC to the Authority for the principal amount of the Bonds issued; and

(c) a copy of the proposed affiliate financing arrangements, containing all terms and conditions of promissory notes from VGPC to VGC.

7) Applicant shall file a final report of action on or before December 1, 1997, to include:

(a) a balance sheet for VGC and VGPC respectively, reflecting the actions taken; and

(b) a detailed account of all issuance costs incurred to date on the Bonds, the amount to be paid by VGC, and the amount and methodology used to allocate any such issuance costs to affiliate financings authorized in ordering paragraph 1.

8) This matter be continued, subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUF960032
DECEMBER 20, 1996

APPLICATION OF
APPALACHIAN POWER COMPANY

For authority to issue long-term securities

ORDER GRANTING AUTHORITY

On December 6, 1996, Appalachian Power Company ("Appalachian" or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to issue up to $390,000,000 in aggregate amount of long-term securities from time to time through December 31, 1997. Applicant has paid the requisite fee of $250.

In this case, Appalachian requests a continuation of the remaining $85,000,000 of authority from Case No. PUE950018 through December 31, 1997, and it requests authority to issue an additional $305,000,000 in securities for a total of up to $390,000,000 from time to time through December 31, 1997. Applicant requests that it be given the flexibility to adjust its financing plans based on market conditions at the time of the issue by selecting from the following types of securities: 1) First Mortgage Bonds; 2) senior or subordinated debentures or promissory notes; 3) senior notes supported by a like amount of First Mortgage Bonds; or 4) up to $200,000,000 of Cumulative Preferred Stock, in combination with one of the types of securities described above to total up to $390,000,000.

Appalachian requests the flexibility to determine the maturity, interest rate, and other terms of the new issues based on market conditions at the time of issuance. Applicant expects that the debt securities will mature in not less than 9 months and not more than 50 years. The interest rate may be fixed or variable and shall be sold by: 1) competitive bidding, 2) direct placement with a commercial bank or other institutional investor, or 3) negotiation with underwriters or agents. Appalachian states that any fixed rate of interest will not exceed by more than 300 basis points the yield to maturity on comparable Treasury Bonds and that the initial interest rate on any variable rate issue will not exceed 10%.

Appalachian indicates that at least $340,000,000 of the proceeds may to used to refund long-term debt at or prior to maturity, to refund preferred stock, or to repay short-term debt. The remainder may be used to reimburse the Company's treasury for expenditures in connection with its construction program, and for other corporate purposes, including sinking fund payments on its preferred stock.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. However, the Commission is of the further opinion and finds that, since the remaining authority in Case No. PUF950018 is included in the total amount of authority requested in this case, Case No. PUF950018 be terminated and superseded by the authority granted herein. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to issue and sell: a) First Mortgage Bonds; b) senior or subordinated debentures or promissory notes; c) senior notes supported by a like amount of First Mortgage Bonds; or d) up to $200,000,000 of Cumulative Preferred Stock, in combination with one of the types of securities described above up to an aggregate principal amount of $390,000,000 from time to time through December 31, 1997, in all manner, under the terms and conditions, and for the purposes set forth in the application, provided that the issuance of any securities for refunding results in demonstrable cost savings to Applicant.

2) The authority granted in Case No. PUF950018 for the unissued portion of the $360,000,000, or $85,000,000, shall be terminated and superseded by the authority granted herein.

3) Applicant shall submit a preliminary Report of Action within ten (10) days of the issuance of any new securities pursuant to this Order including the type of securities issued, the date issued, the amount of the issue, the coupon rate, the maturity date, the comparable U. S. Treasury rate, a break-even analysis for any refunding bonds, and an explanation for the maturity chosen.

4) Within sixty (60) days after the end of each calendar quarter in which any new securities are issued, Applicant shall file a more detailed Report of Action with respect to the new securities issued including the type of securities issued, the date and amount of each series, the coupon rate, date of maturity, net proceeds to Applicant, an itemized list of all expenses to date associated with each issue, a comparison of the effective rates on the new securities and any refunded debt issues to demonstrate savings to Applicant, a list of all contracts and underwriting agreements regarding the sale or marketing of the new securities, and a balance sheet reflecting the actions taken.

5) Applicant shall file a Final Report of Action on, or before March 31, 1998, to include all information required in Ordering Paragraph 4 which incorporates then-current actual expenses and fees paid for the proposed financings with an explanation of any variances from the estimated expenses contained in the Financing Summary attached to the Company's application.

6) Approval of this application shall have no implications for ratemaking purposes.

7) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

DIVISION OF RAILROAD REGULATION

CASE NO. RRR950002
FEBRUARY 15, 1996

APPLICATION OF
CSX TRANSPORTATION, INC.

For authority to consolidate its agency service at Hopewell, Virginia to its customer service center in Jacksonville, Florida

ADMINISTRATIVE ORDER

By application dated February 16, 1995, CSX Transportation, Inc. ("CSXT") sought authority to consolidate its existing agency service at Hopewell, Virginia, into its Customer Service Center at Jacksonville, Florida. The application also requested authority to transfer jurisdiction over non-agency stations at Bermuda Hundred, Boxley, Carson, Collier, Colonial Heights, Curtis, Emporia, Highway, Jarratt, Petersburg, Stony Creek, Vulcan, and Wheelwright, Virginia.

By Order Granting Application dated June 29, 1995, the Commission ordered:

(1) That CSXT was authorized to consolidate its existing agency service at Hopewell, Virginia, into its Customer Service Center at Jacksonville, Florida, subject to the conditions that CSXT would maintain a general clerk or industrial yard master in Hopewell if the proposed consolidation was approved, and after a six month period, the matter would be reviewed to determine whether the position should be permanently retained in Hopewell;

(2) That CSXT was authorized to transfer jurisdiction over its stations at Bermuda Hundred, Boxley, Carson, Collier, Colonial Heights, Curtis, Emporia, Highway, Jarratt, Petersburg, Stony Creek, Vulcan, and Wheelwright, Virginia, to its Jacksonville Customer Service Center;

(3) That CSXT should report to the Commission the results of its six-month review of the position retained in Hopewell, Virginia and the comments of any of its customers on the review;

(4) That CSXT should not eliminate the position retained in Hopewell, Virginia without approval of the Commission; and

(5) That this case was continued until further order of the Commission.

IT APPEARING to the Commission that the ICC Termination Act of 1995, Pub. L. No. 104-88, 109 Stat. 803 (1995), amended certain sections of Title 49 of the United States Code (Interstate Commerce Act) so as to directly preempt further state economic regulation of railroads. The Interstate Commerce Commission's surviving functions have been transferred to the Surface Transportation Board; and

IT FURTHER APPEARING that federal law has preempted states' authority to engage in economic regulations of railroads and that the Surface Transportation Board has jurisdiction over intrastate and interstate rail transportation as well as exclusive jurisdiction over services and facilities of rail carriers, and as such, the application is now moot; accordingly,

IT IS ORDERED THAT:

(1) The pending application CSX Transportation, Inc. for authority to consolidate existing agency service at Hopewell, Virginia, as well as its request to transfer jurisdiction over non-agency stations at Bermuda Hundred, Boxley, Carson, Collier, Colonial Heights, Curtis, Emporia, Highway, Jarratt, Petersburg, Stony Creek, Vulcan, and Wheelwright, Virginia into its Customer Service Center at Jacksonville, Florida, is dismissed; and

(2) There being nothing further to come before the Commission, this case is closed and the papers herein shall be placed in the Commission's files for ended causes.

DIVISION OF SECURITIES AND RETAIL FRANCHISING

CASE NOS. SEC930120, SEC930119, and SEC930121
MAY 1, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
G.P. GLOBAL PARTNERS, INC., GCR GLOBAL CAPITAL RESOURCES, INC.,
and
ROBERT ISRAEL MOSES,
Defendants

FINAL ORDER

On December 6, 1994, the Commission entered in these cases an Order and Judgment that set forth findings and sanctions against the Defendants, G.P. Global Partners, Inc., GCR Global Capital Resources, Inc., and Robert Israel Moses. Among the sanctions imposed by the Commission, G.P. Global Partners, Inc. and GCR Global Capital Resources, Inc. each was penalized in the amount of $5,000, provided that $4,500 of each penalty would be forgiven if, in accordance with the provisions in the Order and Judgment, the Defendants made restitution to or otherwise settled with the persons to whom they sold securities in violation of the Securities Act. In addition, Robert Israel Moses was penalized in the amount of $10,000, $9,000 of which would be forgiven if the aforesaid restitution or settlement were made. The Defendants were directed to file on or about April 6, 1995, evidence of restitution or settlement. The Commission retained jurisdiction in this matter for all purposes.

The Commission has been advised by its Staff that, as of the date hereof, (i) the Defendants have not submitted notification concerning restitution or settlement and (ii) none of the purchasers has been contacted by, or entered into an agreement with, the Defendants regarding restitution or settlement.

In view of the foregoing, the Commission is of the opinion and finds that the Defendants have failed to comply with the provisions of the prior order regarding forgiveness of the penalties, and that this case should be concluded. It is, therefore,

ORDERED AND ADJUDGED:

(1) That the penalties in the amounts of $5,000 entered herein against G.P. Global Partners, Inc. and GCR Global Capital Resources, Inc. and in the amount of $10,000 entered against Robert Israel Moses by Order and Judgment of December 6, 1994, be, and they hereby are, declared due in full and that the Commonwealth recover of and from the Defendants said sums, with interest thereon at the rate of 9% per year from December 6, 1994, until paid; and

(2) That these cases be, and they hereby are, dismissed from the docket and the papers herein be placed in the file for ended causes.

CASE NOS. SEC950062 and SEC950063
FEBRUARY 26, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
COMMODITY EXPRESS CORPORATION
and
DAVE RAMSEYER,
Defendants

FINAL ORDER

On December 14, 1995, the Commission entered in these cases an Order and Judgment that set forth findings and sanctions against the Defendants, including a $10,000 penalty against each Defendant. That order provided that the penalties were suspended and would be remitted if the Defendants made restitution to, or settled with, the Virginia investor within 60 days from the date of the order and notified the Commission in writing within 65 days whether restitution or settlement had been made. The Staff has reported to the Commission that the Defendants have failed to make restitution or settlement, and failed to notify the Commission of any restitution or settlement. It is, therefore,

ORDERED AND ADJUDGED:

(1) That the $10,000 penalties imposed herein by order dated December 14, 1995, are hereby declared due in full, and that the Commonwealth recover said sum from each Defendant with interest thereon at 9% per year from December 14, 1995, until paid;

(2) That the injunctive and other provisions contained in said prior order shall remain in full force and effect; and

(3) That these cases are dismissed from the docket, and the papers herein be placed in the file for ended causes.

CASE NO. SEC950064
JANUARY 29, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CONTINENTAL WIRELESS CABLE TELEVISION, INC.,
JAMES MCDERMOTT, RICHARD FLEICH, ROBERT L. GATER,
JOHN P. MCMAHON, AND RICHARD SWANSON,
Defendants

JUDGMENT AND CONTINUANCE ORDER

By Rule to Show Cause dated October 6, 1995, the Commission, among other things, assigned this case to a Hearing Examiner to conduct a hearing on behalf of the Commission. At the conclusion of the December 5, 1995 hearing, the Hearing Examiner issued from the bench his Report setting forth his recommended findings of fact and conclusions of law. Upon consideration of the Report and the evidence received in this case, the Commission finds that:

(1) Defendant Continental Wireless Cable Television, Inc. ("Continental") is and was, at all times relevant hereto, a corporation conducting its business from the State of California.

(2) Defendants James McDermott ("McDermott"), Richard Fleich ("Fleich"), Robert L. Gater ("Gater"), John P. McMahon ("McMahon"), and Richard Swanson ("Swanson") are natural persons.

(3) The Rule to Show Cause was served upon all the Defendants as required by law.

(4) None of the Defendants filed a responsive pleading or appeared in the case.

(5) Continental employed McDermott, Fleich, Gater, McMahon, Swanson and others to offer and sell, in Virginia and elsewhere, partnership interests in a direct television transmission venture known as New Orleans Wireless Cable Associates, and in other similar ventures ("the securities").

(6) During 1993 and thereafter, McDermott, Fleich, Gater, McMahon and Swanson, acting as agents of Continental, offered and sold the securities in Virginia in several transactions with Virginia residents ("the investors").

(7) In connection with such offers and sales, the Defendants induced the investors to invest in the ventures with the expectation of profit to be generated by the managerial, entrepreneurial, and technical efforts and expertise of Continental.

(8) None of the Defendants was registered in any capacity under the Virginia Securities Act ("the Act"), Virginia Code §§ 13.1-501 et seq.

(9) The securities offered and sold by the Defendants were not registered under the securities registration provisions of the Act.

(10) The aforesaid activities of Continental constitute twelve violations of the Act, to wit:

a. Employing McDermott, Fleich, Gater, McMahon, Swanson, and another individual as unregistered agents in violation of § 13.1-504(B) of the Act; and

b. Offering and selling unregistered securities on six occasions in violation of § 13.1-507 of the Act.

(11) The aforesaid activities of McDermott, Fleich, Gater, McMahon and Swanson constitute two violations of the Act by each of them, to wit:

a. Transacting business in Virginia as an unregistered agent in violation of § 13.1-504(A) of the Act; and

b. Offering and selling unregistered securities in violation of § 13.1-507 of the Act.

(12) The Defendants should be penalized for said violations of law, permanently enjoined from the commission of like violations of law in the future, and ordered to pay the costs of investigation of this case. Accordingly,

IT IS ORDERED THAT:

(1) The Defendants shall, jointly and severally, pay the costs of investigation in this case in the sum of two thousand dollars ($2,000) which sum the Commonwealth shall recover from the Defendants with interest at 9% per year until paid.

(2) Defendant Continental is hereby permanently enjoined from violation of the provisions of § 13.1-504(B) or § 13.1-507 of the Act.

(3) Defendants McDermott, Fleich, Gater, McMahon and Swanson are hereby permanently enjoined from violation of the provisions of § 13.1-504(A) or § 13.1-507 of the Act.

(4) Defendants McDermott, Fleich, Gater, McMahon and Swanson are hereby penalized, pursuant to § 13.1-521 of the Act, in the sum of ten thousand dollars ($10,000) each, which sum the Commonwealth shall recover from each of said Defendants with interest at 9% per year until paid.

(5) Defendant Continental is hereby penalized, pursuant to § 13.1-521 of the Act, in the sum of sixty thousand dollars ($60,000), which sum the Commonwealth shall recover from said Defendant with interest at 9% per year until paid; provided that enforcement of said penalty is suspended for a period of sixty days from the date of this order, and said penalty may be remitted or abated, in whole or in part, if within said sixty-day period Continental offers and makes restitution to the investors pursuant to § 13.1-522 of the Act or otherwise settles with the investors, and provides the Division of Securities and Retail Franchising satisfactory proof that it has done so.

(6) This case is continued pending further order of the Commission.

CASE NO. SEC950064
APRIL 12, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CONTINENTAL WIRELESS CABLE TELEVISION, INC.,
JAMES MCDERMOTT, RICHARD FLEICH, ROBERT L. GATER,
JOHN P. MCMAHON, AND RICHARD SWANSON,
Defendants

FINAL ORDER

On January 29, 1996, the Commission entered a Judgment and Continuance Order in this case which, among other things, imposed a $60,000 penalty upon Defendant Continental Wireless Cable Television, Inc. ("Continental"). That order also provided that enforcement of said penalty was suspended for a period of sixty days, and the penalty might be remitted or abated if Continental offered and made recission and restitution to, or settled with, Virginia investors within that time period. The Staff has reported to the Commission that none of the Virginia investors has been contacted by Continental since entry of the January 29, 1996 order. It is, therefore,

ORDERED AND ADJUDGED THAT:

(1) The $60,000 penalty imposed upon Continental by the January 29, 1996 order is hereby declared due in full, and the Commonwealth recover said sum from Continental with interest thereon at 9% per year from January 29, 1996, until paid.

(2) The injunctive and other provisions contained in said prior order shall remain in full force and effect.

(3) This case is dismissed from the docket, and the papers herein shall be placed among the ended cases.

CASE NO. SEC950097
FEBRUARY 14, 1996

PETITION OF
INDIAN ACRES CLUB OF THORNBURG, INC.,
Petitioner,
v.
RACHEL V. CROWE,
Respondent,

FINAL ORDER

This cause came for hearing before the State Corporation Commission on the 12th of February, 1996 upon the petition of Indian Acres Club of Thornburg Inc., for the cancellation of a Certificate of Registration of a Trademark, the return of personal service upon the Respondent, Rachel V. Crowe and her answer. The Petitioner appeared by counsel and the Respondent appeared pro se.

NOW THE COMMISSION, upon consideration of the pleadings as well as the testimony and exhibits adduced at hearing, makes the following findings of fact:

(1) A stylized Indian head with the words "Indian Acres" has been in use in this Commonwealth, by various business organizations connected with Indian Acres Resort, since 1969 and, since at least 1976, it has been placed on the Petitioner's published newsletter.

(2) At a later date the Respondent began to publish a newsletter of her own and used as a letterhead the same stylized Indian head with the inscription "Indian Acres News".

(3) Neither the Petitioner nor the Respondent registered the trademark pursuant to Chapter 6 of Title 59.1 of the Code of Virginia until a dispute arose between the parties concerning the Respondent's use of the same stylized Indian head.

(4) The Respondent registered the stylized Indian head and inscription with this Commission on April 19, 1994.

(5) The trademark, registered by the Respondent, so resembles one previously used by the Petitioner on its publications in this Commonwealth that it is likely to cause confusion or mistake when applied to Respondent's newsletter. Accordingly,

IT IS ORDERED that pursuant to § 59.1-86(e) of the Code of Virginia, the Certificate of Registration of Trademark previously issued to the Respondent, Rachel V. Crowe, be, and the same is hereby, canceled.

CASE NOS. SEC950115 and SEC950117
DECEMBER 19, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CHRISTOPHER S. KNIGHT
and
KURT W. SCHMALZ,
Defendants

ORDER AND JUDGMENT

By Rule to Show Cause dated June 10, 1996, the Commission, among other things, assigned these cases to a Hearing Examiner to conduct further proceedings in these matters, including a hearing, on behalf of the Commission. At the conclusion of the hearing on September 18, 1996, the Hearing Examiner issued from the bench his Report setting forth his recommended findings of fact, conclusions of law and sanctions. The Commission has been advised (i) that a copy of the Report was mailed to each Defendant on October 9, 1996, along with notice that written comments upon the Report could be filed within fifteen (15) days from the date of mailing and (ii) that neither Defendant has filed comments as of the date of this Order. Upon consideration of the Report and the evidence received in these cases, the Commission is of the opinion and finds:

1. An attested copy of the aforesaid Rule to Show Cause was duly served on each of the Defendants.

2. Christopher S. Knight ("Knight") did not file a proper responsive pleading or appear in the case against him.

3. Kurt W. Schmalz ("Schmalz") did not file a proper responsive pleading or appear in the case against him.

4. During the period of December 1993 through January 1994, Knight transacted business in this Commonwealth as an agent of Burnett Grey & Co., Inc., a broker-dealer. During this period of time, Knight was not registered as an agent under the Securities Act, Va. Code § 13.1-501 et seq. ("Act"). Since May 1994, Knight has been registered under the Act as an agent of LaJolla Capital Corporation.

5. During December 1993 and January 1994, Knight offered and sold in this Commonwealth to and on behalf of a resident of Virginia shares of stock issued by Crown Energy, Inc. and Infoserv, Inc.

6. The Virginia resident paid a total of $3,263 for the shares of Crown Energy, Inc., which were purchased in a single transaction in December 1993 and sold in a single transaction in January 1994 for the net amount of $2,197, and paid a total of $1,849.88 for 900 shares of Infoserv, Inc., which were purchased in a single transaction on January 11, 1994, and 365 of which shares were sold in a single transaction on January 28, 1994, for the net amount of $633.56.

7. During the relevant period, neither Knight nor the shares of Crown Energy, Inc. and Infoserv, Inc. were registered under the Act.

8. During the period of October 1993 to March 1994, Schmalz was registered under the Act as an agent of S.D. Cohn & Co., Inc., a registered broker-dealer.

9. During this period of time, Schmalz offered and sold in this Commonwealth to the aforesaid Virginia resident shares of stock issued by Pantheon Industries, Inc.

10. The Virginia resident paid a total of $3,485 for the shares of Pantheon Industries, Inc., which were purchased in a single transaction in October 1993.

11. During the relevant period, the shares of Pantheon Industries, Inc. were not registered under the Act.

12. The aforesaid acts constitute four violations of Va. Code § 13.1-504 A and two violations of Va. Code § 13.1-507 by Knight, and one violation of Va. Code § 13.1-507 by Schmalz.

13. Knight should be penalized $2,000 on account of each violation of Va. Code § 13.1-504 and $2,000 on account of each violation of Va. Code § 13.1-507; Schmalz should be penalized $2,000 on account of one violation of Va. Code § 13.1-507; and, each Defendant should be enjoined from committing like violations of law in the future and assessed the costs of the investigation. In addition, the agent registration of Knight should be revoked. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to Va. Code § 13.1-521, Christopher S. Knight is penalized in the sum of twelve thousand dollars ($12,000) and Kurt W. Schmalz is penalized in the sum of two thousand dollars ($2,000) for their respective violations of the Securities Act, which sums the Commonwealth of Virginia shall recover from each Defendant, with interest thereon at 9% per year until paid; provided, that said penalties are suspended and shall be remitted upon the condition that the Defendants, within 30 days from date of this Order, make restitution to the Virginia resident in accordance with the refund provisions of Va. Code § 13.1-522 D, or otherwise settle with the resident.

(2) Within 35 days from the date of this Order, the Defendants notify the Commission in writing whether or not restitution or settlement has been made.

(3) Pursuant to Va. Code § 13.1-518, Defendant Knight pay two thousand five hundred dollars ($2,500) and Defendant Schmalz pay one thousand dollars ($1,000) as costs of the investigation of these cases, which sums the Commission shall recover from each Defendant with interest thereon at 9% per year until paid.

(4) Pursuant to Va. Code § 13.1-519, each Defendant is permanently enjoined from violating the provisions of Va. Code § 13.1-504 or § 13.1-507.

(5) Pursuant to Va. Code § 13.1-521 B, the agent registration issued by the Commission to Defendant Knight is revoked; provided, that said revocation is suspended and shall be remitted if the condition set out in paragraph (1), above, is satisfied.

(6) The Commission retains jurisdiction in these matters for all purposes.

CASE NO. SEC960002
JANUARY 26, 1996

APPLICATION OF
EMMANUEL BAPTIST CHURCH

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated December 4, 1995 with exhibits attached thereto, as subsequently amended, of Emmanuel Baptist Church ("Emmanuel"), requesting that certain bonds be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that certain members of Emmanuel be exempted from the agent registration requirements of said Act.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: Emmanuel is an unincorporated Virginia organization operating not for private profit but exclusively for religious purposes; Emmanuel intends to offer and sell First Deed of Trust Bonds in an approximate aggregate amount of $212,000 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 Emmanuel who will not be compensated for their sales efforts; and, said securities may also be offered and sold by broker-dealers so registered under the Securities Act.

THE COMMISSION, based on the facts asserted by Emmanuel in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of Code § 13.1-514.1 B, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act and the members of the bond sales committee be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC960008
AUGUST 28, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
MICHAEL J. SIEGEL,
Defendant

FINAL JUDGMENT AND ORDER

By Amended Rule To Show Cause dated April 24, 1996, the Commission, among other things, assigned this case to a Hearing Examiner to conduct a hearing on behalf of the Commission. At the conclusion of the July 1, 1996 hearing, the Hearing Examiner issued his Report setting forth his recommended findings of fact and conclusions of law. Upon consideration of the Report and the pleadings, papers and evidence in the case, the Commission finds that:

1. Defendant Michael J. Siegel ("Siegel") is a natural person who, at the time this case was commenced, resided in Los Angeles, California.

2. The Amended Rule To Show Cause was served upon Siegel as required by law, and the Report of the Hearing Examiner was mailed to Siegel.

3. Siegel did not file a responsive pleading, appear, or file comments to the Hearing Examiner's Report.

4. In 1993 Siegel, acting as agent of a company named Continental Wireless Cable Television, Inc. ("Continental"), offered and sold certain securities in Virginia to a Virginia resident ("the investor").

5. The aforesaid securities consisted of partnership interests in a direct television transmission venture known as New Orleans Wireless Cable Associates.

6. In connection with such offer and sale, Siegel induced the investor to invest funds in the venture with the expectation of profit to be generated by the managerial, entrepreneurial and technical efforts and expertise of Continental.

7. In 1994, Siegel, acting as agent of Michael J. Siegel Trading Limited Partnership ("the limited partnership"), offered and sold units in the limited partnership in Virginia to the investor.

8. In connection with his offer and sale of said limited partnership units, Siegel obtained funds from the investor by making four false and fraudulent representations of material facts, as alleged in the Amended Rule To Show Cause.

9. Siegel was not registered, at any relevant time, as an agent under the agent registration provisions of the Virginia Securities Act ("the Act"), Virginia Code § 13.1-501 et seq.

10. The aforesaid partnership interests and limited partnership units were securities not registered under the Act.

11. Siegel's aforesaid acts constitute eight violations of the Act, to wit:

a. Transacting business in Virginia as an unregistered agent on two occasions in violation of § 13.1-504(A) of the Act;

b. Offering and selling unregistered securities on two occasions in violation of § 13.1-507 of the Act; and

c. Obtaining money by means of four false and fraudulent representations in violation of § 13.1-502 of the Act.

12. Siegel should be penalized for said violations of law, permanently enjoined from the commission of like violations of law in the future, and ordered to pay the costs of investigation in this case. Accordingly,

IT IS ORDERED THAT:

1. Defendant is hereby penalized, pursuant to § 13.1-521 of the Act, in the sum of forty thousand dollars ($40,000), which sum the Commonwealth shall recover from Defendant with interest at 9% per year until paid.

2. Defendant is hereby permanently enjoined, pursuant to § 13.1-519 of the Act, from future violation of § 13.1-504(A), 13.1-507 or 13.1-502 of the Act.

3. Defendant shall pay the costs of investigation in this case in the sum of five hundred dollars ($500), which sum the Commission shall recover from Defendant with interest at 9% per year until paid.

4. This case is dismissed from the docket, and the papers herein shall be placed among the ended cases.

CASE NOS. SEC960009 and SEC960010
MARCH 4, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
J.W. REDMOND & COMPANY, INC., and
JOSEPH WOODWARD REDMOND,
Defendants

SETTLEMENT ORDER

The Commission's Division of Securities and Retail Franchising has instituted an investigation of the Defendants, J.W. Redmond & Company, Inc. ("Company") and Joseph Woodward Redmond, pursuant to Virginia Code § 13.1-518.

As a result of its investigation, the Division alleges that (i) the Company transacted business in this Commonwealth as an unregistered investment advisor in violation of Virginia Code § 13.1-504A, (ii) the Company employed an unregistered investment advisor representative in violation of Virginia Code § 13.1-504C, and (iii) Joseph Woodward Redmond transacted business in this Commonwealth as an unregistered investment advisor representative for J.W. Redmond & Company, Inc. in violation of Virginia Code § 13.1-504A. The Defendants neither admit nor deny these allegations, but admit the Commission's jurisdiction and authority to enter this Settlement Order.

As a proposal to settle all matters arising from the allegations made against them, the Defendants have offered, and agreed to comply with, the following terms and undertakings:

(1) Company will not, indirectly or directly, transact business in this Commonwealth as an investment advisor unless so registered under the Virginia Securities Act;

(2) Company will employ, for purposes of providing investment advisory services in this Commonwealth, only investment advisor representatives who are so registered under the Virginia Securities Act;

(3) Joseph Woodward Redmond will not, indirectly or directly, transact business in this Commonwealth as an investment advisor representative unless so registered under the Virginia Securities Act;

(4) Pursuant to Virginia Code § 13.1-518A, Company will pay to the Commission two thousand three hundred dollars ($2,300) to defray the cost of the investigation and pursuant to Virginia Code § 13.1-521, Joseph Woodward Redmond and Company will each pay to the Commonwealth two thousand five hundred dollars ($2,500) as a penalty.

The Division has recommended that the Defendants' offer of settlement be accepted pursuant to the authority granted to the Commission in Virginia Code § 12.1-15.

NOW, THEREFORE, IT IS ORDERED:

(1) That, pursuant to the authority granted to the Commission in Virginia Code § 12.1-15, the Defendants' offer of settlement is accepted;

(2) That the Defendants fully comply with the aforesaid terms and undertakings of the settlement;

(3) That, pursuant to Virginia Code § 13.1-518A, Company will pay to the Commission two thousand three hundred dollars ($2,300) to defray the cost of the investigation and that, pursuant to Virginia Code § 13.1-521, Joseph Woodward Redmond and Company will each pay to the Commonwealth two thousand five hundred dollars ($2,500) as a penalty and that the Commission and the Commonwealth recover of and from the Defendants said amounts;

(4) That the sum of seven thousand three hundred dollars ($7,300) tendered by Joseph Woodward Redmond and Company contemporaneously with the entry of this Order is accepted; and

(5) That this case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. SEC960011
APRIL 24, 1996

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

ORDER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising has instituted an investigation of Defendant, CSX Financial Management, Inc., pursuant to Virginia Code § 13.1-518.

As a result of its investigation, the Division alleges:

(A) That CSX Financial Management, Inc. has been registered under the Virginia Securities Act as an investment advisor since March 5, 1992.

(B) That Defendant, in violation of Virginia Securities Act Rule 1206 A.6 borrowed money from clients as evidenced by demand promissory notes.

The Defendant neither admits nor denies the allegations, but admits the Commission's jurisdiction and authority to enter this order.

As a proposal to settle all matters arising from the allegations made against it, the Defendant has offered and agreed to comply with the following terms and undertakings:

(1) That within thirty (30) days of the date of this order, Defendant will rescind each demand promissory note and make restitution to each note holder;

(2) That such restitution will provide for the refund of the consideration paid by the client for each demand promissory note;

(3) That evidence of compliance with the provisions of paragraphs (1) and (2), above, will be filed with the Division by the Defendant within seven (7) days from the date payment is remitted to the clients; that such evidence will be in the form of an affidavit, executed by

appropriate officers of the Defendant, which will contain the following information: (i) the date on which the clients received the restitution; and (ii) the amount of payment remitted to each client;

(4) That the Defendant will append a copy of this order to the restitution payment;

(5) That it is recognized and understood that if the Defendant fails to comply with any of the foregoing terms and undertakings, then the Commission reserves the right to take whatever action it deems appropriate, including, but not limited to, instituting a show cause proceeding under the Virginia Securities Act or other applicable statute based on such failure to comply, on the allegations contained herein and/or on such other allegations as are warranted, and the Defendant will not contest the exercise of the right reserved.

The Division has recommended that the Defendant's offer of settlement be accepted pursuant to the authority granted to the Commission in Virginia Code § 12.1-15.

NOW, THEREFORE, IT IS ORDERED:

(1) That, pursuant to the authority granted to the Commission in Virginia Code § 12.1-15, the Defendant's offer of settlement is accepted;

(2) That the Defendant fully comply with the aforesaid terms and undertakings of the settlement;

(3) That the Commission retains jurisdiction in this matter for all purposes, including the institution of a show cause proceeding as described above, or taking such other action it deems appropriate, on account of the Defendant's failure to comply with the terms and undertakings of the settlement.

CASE NO. SEC960012
MARCH 5, 1996

APPLICATION OF
COLONIAL HEIGHTS BAPTIST CHURCH OF COLONIAL HEIGHTS, VIRGINIA

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated January 30, 1996 with exhibits attached thereto, as subsequently amended, of Colonial Heights Baptist Church of Colonial Heights, Virginia ("CHBC"), requesting that certain bonds be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that certain members of CHBC be exempted from the agent registration requirements of said Act.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: CHBC is an unincorporated Virginia organization operating not for private profit but exclusively for religious purposes; CHBC intends to offer and sell First Deed of Trust Bonds, Series 1996-C in an approximate aggregate amount of $700,000 on terms and conditions as more fully described in the Prospectus filed as a part of the application; said securities are to be offered and sold by a bond sales committee composed of members of CHBC who will not be compensated for their sales efforts; said securities may also be offered and sold by broker-dealers so registered under the Securities Act.

THE COMMISSION, based on the facts asserted by CHBC in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of Code § 13.1-514.1 B, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act and the members of the bonds sales committee be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC960013
MARCH 8, 1996

APPLICATION OF
PRESBYTERIAN HOMES, INC. (A NOT-FOR-PROFIT NORTH CAROLINA 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 underwriter, Wheat, First Securities, Inc., dated February 5, 1996, requesting a determination that a guaranty to be issued as part of a bond offering by the North Carolina Medical Care Commission (the "Care Commission") 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: Presbyterian Homes, Inc. ("Presbyterian Homes") is a not-for-profit corporation organized under the laws of the State of North Carolina for charitable, educational and scientific purposes; Presbyterian Homes intends to issue as part of the North Carolina Medical Care Commission Health Care Facilities First Mortgage Revenue Refunding Bonds (Glenaire Project) Series 1996 (the "Bonds"), a security to wit: a guaranty issued by Presbyterian Homes to the

Care Commission pursuant to a Guaranty Agreement guaranteeing all obligations under a loan agreement and note issued by Glenaire, Inc. to the Care Commission as security for the Glenaire Project Series 1996 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 Virginia 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. SEC960016
APRIL 9, 1996

APPLICATION OF
JENNISON ASSOCIATES CAPITAL 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 of Jennison Associates Capital Corp. ("Applicant") dated March 6, 1996, filed under Va. Code § 13.1-525 by its counsel and upon payment of the requisite fee. Applicant has requested a determination that it is a person not within the intent of the term "investment advisor" as defined in Va. Code § 13.1-501, and, consequently, is excluded from the registration and other provisions of the Securities Act.

The pertinent information contained in the application is summarized as follows: Applicant, an investment advisor so registered with the U.S. Securities and Exchange Commission, presently has four investment advisory clients in Virginia. Three clients are employee benefit plans with assets in excess of $5,000,000. If Applicant had no other clients in the Commonwealth, it would be excluded from the definition of "investment advisor" by virtue of paragraph E of Rule 1300 of the Commission's Securities Act Rules. Applicant's other Virginia client is the Virginia Tech Foundation, Inc.("Foundation"), a nonstock, nonprofit, § 501(c)(3) (of the Internal Revenue Code of 1986) Virginia corporation which, according to Applicant, has endowed fund assets of over $200,000,000 and internally managed assets in excess of $10,000,000. These endowed fund assets are managed through fourteen outside professional investment managers, including Applicant, which began managing approximately $25,000,000 of the assets in October 1995. The Foundation's investment committee currently has seven members, the chairman of which is the president and chief executive officer of a large farm supply cooperative organization. Other committee members are current or retired officers or board members of various types of businesses. The investment committee has retained an investment consulting firm located in Illinois and with offices in Richmond, Virginia, to monitor the performances and other aspects of each of the investment managers utilized by the Foundation and to provide advice with respect to asset allocation of the endowment funds.

Applicant asserts that because of the Foundation's wealth, investment experience, sophistication and use of an investment consulting firm, it is not in need of the protections provided by the Securities Act. Given the facts of this matter, these assertions appear to be well-founded.

The Commission, upon consideration of and in reliance upon the information submitted, is of the opinion and finds that Applicant is not within the intent of the Act's definition of "investment advisor"; accordingly,

IT IS ORDERED that Jennison Associates Capital Corp. be, and it hereby is, excluded from the definition of "investment advisor" as set forth in Va. Code § 13.1-501 so long as its only clients in this Commonwealth are the Virginia Tech Foundation, Inc. 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. SEC960019
MARCH 21, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
MILLER, ANDERSON & SHERRERD, L.L.P.,
Defendant

ORDER ACCEPTING OFFER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising has instituted an investigation of the Defendant, Miller, Anderson & Sherrerd, L.L.P. ("MAS") pursuant to Virginia Code § 13.1-518.

As a result of its investigation, the Division alleges that MAS (i) in violation of Virginia Code § 13.1-504A, transacted business in this Commonwealth as an unregistered investment advisor and (ii) in violation of Virginia Code § 13.1-504C, employed numerous unregistered investment advisor representatives. The Defendant neither admits nor denies the allegations, but admits the Commission's jurisdiction and authority to enter this Order Accepting Offer of Settlement.

As a proposal to settle all matters arising from the allegations made against it, the Defendant has offered, and agreed to comply with the following terms and undertakings:

(1) MAS will not, indirectly or directly, transact business in this Commonwealth as an investment advisor unless so registered under the Virginia Securities Act.

(2) MAS, for purposes of providing investment advice in this Commonwealth, will employ only investment advisor representatives who are so registered under the Virginia Securities Act.

(3) Pursuant to Virginia Code § 13.1-521, MAS will pay to this Commonwealth a penalty in the amount of sixty thousand dollars ($60,000) and, pursuant to Virginia Code § 13.1-518, MAS will pay to the Commission the sum of one thousand five hundred dollars ($1,500) to defray the cost of the investigation.

(4) MAS will mail a copy of this Order Accepting Offer of Settlement to all of its clients within fourteen (14) days of the date of this Order.

(5) Evidence of compliance with the provisions of paragraph (4), above, will be filed with the Division within twenty-one (21) days of the date of this Order. 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 name an address of each client who was mailed a copy of this Order and (ii) the date on which each client received a copy of this Order.

(6) It is recognized and understood that if the Defendant fails to comply with the foregoing terms and undertakings, then the Commission reserves the right to take whatever action it deems appropriate, including, but not limited to, instituting a show cause proceeding under the Virginia Securities Act or other applicable statutes based on such failure to comply, on the allegations contained herein and/or on such other allegations as are warranted and the Defendant will not contest the exercise of the right reserved.

NOW, THEREFORE, IT IS ORDERED:

(1) That, pursuant to the authority granted to the Commission in Virginia Code § 12.1-15, the Defendant's offer of settlement is accepted;

(2) That the Defendant fully comply with the aforesaid terms and undertakings of the settlement;

(3) That pursuant to Virginia Code § 13.1-521, MAS pay to the Commonwealth a penalty in the amount of sixty thousand dollars ($60,000) and pursuant to Virginia Code § 13.1-518, MAS pay to the Commission the sum of one thousand five hundred dollars ($1,500) to defray the cost of the investigation, and that the Commonwealth of Virginia and the Commission recover of and from the Defendant said amounts;

(4) That the total sum of sixty one thousand five hundred dollars ($61,500) tendered by Miller, Anderson & Sherrerd, L.L.P. contemporaneously with the entry of this Order Accepting Offer of Settlement is accepted;

(5) That the affidavit described above be made a part of this Order Accepting Offer of Settlement;

(6) That this Order Accepting Offer of Settlement shall not be construed as an injunction, judgment or decree which would cause any disqualification under the Virginia Securities Act or any Rule or regulation adopted thereunder; and

(7) That the Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding as described above, or taking other such action it deems appropriate, on account of the Defendant's failure to comply with the terms and undertakings of the settlement.

CASE NO. SEC960021
APRIL 23, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
LLOYD'S, a/k/a THE CORPORATION OF, LLOYD'S, a/k/a SOCIETY OF LLOYD'S, a/k/a LLOYD'S OF LONDON,
Defendant

INTERIM ORDER

On April 3, 1996, the Division of Securities and Retail Franchising ("the Division") filed a Motion and Petition for Temporary and Permanent Injunction alleging that the Defendant has violated certain provisions of the Virginia Securities Act, Virginia Code §§ 13.1-501 et seq. Defendant denies the allegations, but has entered into an agreement with the Division relating to certain of its activities and the prosecution of this case. Consent to entry of this order does not constitute or result in a waiver of any jurisdictional defense or a concession on the part of any party to this action as to any other issue, legal proposition, factual assertion, or as to the application of the securities laws. Upon consideration thereof, and the agreement of counsel to entry of this order,

IT IS ORDERED THAT:

(1) The agreement dated April 22, 1996, executed on behalf of Lloyd's by Henry H. McVey, III, its counsel, and on behalf of the Division by Ronald W. Thomas, Director, be filed in this case and made a part of this order.

(2) The terms of the agreement shall be complied with fully.

(3) This case is continued generally on the Commission's docket.

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

CASE NO. SEC960021
JULY 16, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
LLOYD'S, a/k/a THE CORPORATION OF, LLOYD'S, a/k/a SOCIETY OF LLOYD'S, a/k/a LLOYD'S OF LONDON,
Defendant

ORDER ACCEPTING OFFER OF SETTLEMENT

The Division of Securities and Retail Franchising ("Division") has advised the Commission that (i) a committee of the North American Securities Administrators Association, Inc. and Defendant have negotiated an agreement (hereinafter "State Agreement"), a copy of which, executed by counsel for Lloyd's and the Director of the Division, is attached, in resolution of the matters arising from the allegations such as those made herein against Defendant by the Division, and (ii) Defendant recognizes the Commission is a unique regulatory entity and is acting as a court of record in this proceeding. The Division has recommended to the Commission that this case be settled in accordance with the terms of the State Agreement as modified by this order and to the extent consistent with Virginia law, pursuant to authority granted in Va. Code § 12.1-15.

NOW THEREFORE, IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission in Va. Code § 12.1-15, the offer of settlement set forth in the State Agreement is accepted subject to the provisions of this order.

(2) The following provisions of the State Agreement expressly are not accepted and shall not be applicable:

(a) The provisions of Article 2 related to unknown or unasserted claims;

(b) The provisions of Article 4(B) related to assisting private or governmental persons or entities; and,

(c) The provisions of Article 7.

(3) The matters covered in Article 5-"Future Activities" of the State Agreement shall be enforceable under the Securities Act (Va. Code § 13.1-501 et seq.).

(4) The terms of the State Agreement shall be complied with fully by Defendant, which compliance shall be enforceable in this Commission and governed by the laws of the Commonwealth of Virginia.

(5) The entry of this order does not constitute a waiver by Lloyd's of any jurisdictional defenses except as expressly provided in the State Agreement or in this order.

(6) If Lloyd's complies fully with the terms of the State Agreement, the State Agreement shall constitute a final and complete resolution of all matters concerning Lloyd's which are alleged in pleadings filed in this case.

(7) The Interim Order entered herein on April 23, 1996, is continued in effect except to the extent that it is inconsistent with the enforceable terms of the State Agreement or this order.

(8) This case is continued generally on the Commission's docket.

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

CASE NO. SEC960023
APRIL 9, 1996

APPLICATION OF
LUTHERAN ASSOCIATION FOR CHURCH EXTENSION, INC.

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated March 6, 1996, with exhibits attached thereto, of Lutheran Association for Church Extension, Inc. ("LACE"), requesting that certain securities that LACE proposes to issue be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that LACE's officers and employees be exempted from the agent registration requirements of said Act.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: LACE is a not-for-profit corporation organized under the laws of the State of Michigan exclusively for religious, educational, benevolent and charitable purposes; LACE intends to offer and sell up to $4,000,000 in aggregate principal amount of Demand Certificates and Five-Year Certificates (together, the "Certificates") to members, constituents, participants, or contributors of churches, schools, or other organizations that are affiliated with the Wisconsin Evangelical Lutheran Synod or the Evangelical Lutheran Synod; said offers and sales will be on terms and conditions more fully described in the Offering Circular filed as a part of the application; and, the Certificates will be offered and sold by officers and employees of LACE who will not be compensated for their sales efforts.

THE COMMISSION, based on the facts asserted by LACE in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of Code § 13.1-514.1 B, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act, and the officers and employees of LACE who offer and sell Certificates be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC960024
APRIL 24, 1996

APPLICATION OF
NATIONAL COVENANT PROPERTIES (A NOT-FOR-PROFIT ILLINOIS CORPORATION)

For an Order of Exemption pursuant to § 13.1-514.1 B of the Code of Virginia (1950)

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated February 26, 1996, with exhibits attached thereto, of National Covenant Properties ("NCP"), requesting that the securities that NCP proposes to issue be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that NCP's officers be exempted from the agent registration requirement of said Act.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: NCP is a not-for-profit corporation organized under the laws of the State of Illinois for religious and benevolent purposes; NCP intends to offer and sell 5-Year Fixed Rate Renewable Certificates (Series A), 30-Day Certificates (Series G) and Individual Retirement Account Certificates (IRA Certificates) in an approximate aggregate amount of $18,000,000 on terms and conditions as more fully described in the Prospectus filed as a part of the application; and said securities are to be offered and sold by NCP's officers who will not be compensated for their sales efforts.

THE COMMISSION, based on the facts asserted by NCP in the written application and exhibits, is of the opinion and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of Code § 13.1-514.1 B, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act and the officers of NCP be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC960027
APRIL 24, 1996

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

ORDER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising ("Division") has instituted an investigation of the Defendant, Dennis Minogue, pursuant to Virginia Code § 13.1-518.

As a result of its investigation, the Division alleges that the Defendant (i) in violation of Virginia Code § 13.1-504A, transacted business in the Commonwealth as an unregistered agent for Newport Development Corporation and (ii) in violation of Virginia Code § 13.1-507, offered for sale and sold in the Commonwealth unregistered, non-exempt securities, to wit: promissory note(s) and investment contracts comprised of agreements proposing to use investor's proceeds to purchase and resell shopping centers. The Defendant neither admits nor denies the allegations, but admits the Commission's jurisdiction and authority to enter this Order of Settlement.

As a proposal to settle all matters arising from the allegations made against him, the Defendant has offered and agreed to comply with the following terms and undertakings:

(1) Dennis Minogue will be permanently enjoined from offering for sale and selling in this Commonwealth, either directly or indirectly, any securitiy in violation of Virginia Code § 13.1-507; and

(2) Dennis Minogue will be permanently enjoined from transacting business in this Commonwealth as an unregistered agent in violation of Virginia Code § 13.1-504A.

The Division has recommended that the Defendant's offer of settlement be accepted pursuant to the authority granted to the Commission in Virginia Code § 12.1-15.

NOW, THEREFORE, IT IS ORDERED:

(1) That, pursuant to the authority granted to the Commission in Virginia Code § 12.1-15, the Defendant's offer of settlement is accepted;

(2) That, pursuant to Virginia Code § 13.1-519, Dennis Minogue be, and he hereby is, permanently enjoined from (i) transacting business in this Commonwealth as an agent in violation of Virginia Code § 13.1-504 or (ii) offering or selling any security in violation of Virginia Code § 13.1-507; and,

(3) That this case is dismissed and the papers herein be placed in the file for ended causes.

CASE NOS. SEC960028 and SEC960029
MAY 20, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
FIRST MOUNT VERNON INDUSTRIAL LOAN ASSOCIATION,
and
ARTHUR G. BENNETT,
Defendants

ORDER ACCEPTING OFFER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising has instituted an investigation of the Defendants, First Mount Vernon Industrial Loan Association ("FMVILA"), and Arthur G. Bennett ("BENNETT"), pursuant to Virginia Code § 13.1-518.

As a result of its investigation, the Division alleges that (i) BENNETT and a fictitious agent known as James Peterson transacted business in this Commonwealth as unregistered agents of FMVILA in violation of Virginia Code § 13.1-504A, (ii) FMVILA employed an unregistered agent, BENNETT, in the sale of a security known as Evidence of Indebtedness, taking the form of a document titled "Individual Retirement Account Application and Agreement To Participate," in violation of Virginia Code § 13.1-504B, (iii) BENNETT violated a standing settlement order duly issued by the Commission by transacting business in this Commonwealth as an agent without being registered or exempt therefrom, and (iv) FMVILA and BENNETT obtained money by omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading and engaged in transactions which operated as a fraud and deceit upon the purchasers of FMVILA securities, in violation of Virginia Code § 13.1-502(2) and (3). The Defendants neither admit nor deny these allegations, but admit the Commission's jurisdiction and authority to enter this Order Accepting Offer of Settlement.

As a proposal to settle all matters arising from the allegations made against them, the Defendants have offered, and agreed to comply with, the following terms and undertakings:

(A) BENNETT will be permanently enjoined from transacting business in this Commonwealth as an agent unless so registered under the Virginia Securities Act, or exempt therefrom.

(B) FMVILA will be permanently enjoined from employing any securities agent in this Commonwealth, unless the agent is registered under the Virginia Securities Act, or exempt therefrom.

(C) FMVILA and BENNETT will be permanently enjoined from participating in the offer and sale of securities in violation of § 13.1-502 of the Virginia Securities Act.

(D) FMVILA and BENNETT will disclose State Corporation Commission Settlement Order (Case Nos. SEC930070/SEC930071) dated August 2, 1993 and this settlement order in any future security offerings and/or sales by FMVILA, BENNETT, any successor company, or any company owned or controlled by either party.

(E) That pursuant to Virginia Code § 13.1-521, the Defendants will jointly pay to the Commonwealth a penalty in the amount of twenty-five thousand dollars ($25,000) and that pursuant to Virginia Code § 13.1-518, the Defendants will jointly pay to the Commission the sum of two thousand dollars ($2,000) to defray the costs of the investigation.

(F) That defendants will jointly pay the total sum of twenty seven thousand dollars ($27,000.00) in the following manner: fourteen thousand five hundred dollars ($14,500.00) to be tendered contemporaneously with the entry of this order and the payment of the balance of twelve thousand five hundred dollars ($12,500.00) to be made on or before July 31, 1996.

(G) It is recognized and understood that if the Defendants fail to comply with any of the foregoing terms and undertakings, then the Commission reserves the right to take whatever action it deems appropriate, including but not limited to, instituting a show cause proceeding under the Virginia Securities Act or other applicable statutes based on such failure to comply, on the allegations contained herein and/or on such other allegations as are warranted and the Defendants will not contest the exercise of the right reserved.

The Division has recommended that the Defendants' offer of settlement be accepted pursuant to the authority granted to the Commission in Virginia Code § 12.1-15.

NOW, THEREFORE, IT IS ORDERED THAT:

(1) Pursuant to the authority granted to the Commission in Virginia Code § 12.1-15, the Defendants' offer of settlement is accepted.

(2) The Defendants fully comply with the aforesaid terms and undertakings of the settlement.

(3) Pursuant to Virginia Code § 13.1-521, FMVILA and BENNETT jointly pay to the Commonwealth a penalty in the amount of twenty-five thousand dollars ($25,000); pursuant to Virginia Code § 13.1-518, FMVILA and BENNETT jointly pay to the Commission the sum of two thousand dollars ($2,000) to defray the costs of the investigation; and the Commonwealth and the Commission recover of and from the Defendants said amounts.

(4) Fourteen thousand five hundred dollars ($14,500.00) tendered jointly by the defendants contemporaneously with this order is accepted as partial payment of the total amount due.

(5) The balance of twelve thousand five hundred dollars ($12,500.00) shall be paid on or before July 31, 1996.

(6) Pursuant to Virginia Code § 13.1-519, BENNETT is permanently enjoined from transacting business in this Commonwealth as an agent unless so registered under the Virginia Securities Act, or exempt therefrom.

(7) FMVILA and BENNETT shall disclose State Corporation Commission Settlement Orders (Case Nos. SEC930070/SEC930071) dated August 2, 1993, and this settlement order in any future security offerings and/or sales by FMVILA, BENNETT, any successor company, or any company owned or controlled by either party.

(8) Pursuant to Virginia Code § 13.1-519, FMVILA is permanently enjoined from employing any securities agent in this Commonwealth unless the agent is registered under the Virginia Securities Act, or exempt therefrom.

(9) Pursuant to Virginia Code § 13.1-519, FMVILA and BENNETT are permanently enjoined from participating in the offer or sale of securities in violation of § 13.1-502 of the Virginia Securities Act.

(10) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding as described above, or taking such other action as it deems appropriate on account of the Defendants' failure to comply with the terms and undertakings of the settlement.

CASE NO. SEC960030
MAY 3, 1996

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

SETTLEMENT ORDER

I.

FACTUAL FINDINGS

1. The Division of Securities and Retail Franchising of the State Corporation Commission of Virginia (the "Commission") has undertaken an investigation pursuant to Virginia Code § 13.1-501 et seq. (the "Virginia Securities Act") of the activities of PaineWebber Incorporated in connection with its offer and sale of certain direct investments during the period of January 1, 1986 through December 31, 1992.

2. PaineWebber Incorporated ("PaineWebber") is a broker-dealer so registered under the Virginia Securities Act.

3. PaineWebber has advised a multi-state special committee of its agreement to resolve United Stated Securities and Exchange Commission (the "SEC") proceedings relating to PaineWebber's offer and sale of certain direct investments.

4. PaineWebber requested the formation of the multi-state special committee, and in addressing state concerns, has cooperated with the state officials conducting the multi-state coordinated review by, among other things, providing documentary evidence and other materials, and providing the multi-state special committee access to the relevant facts relating to PaineWebber's offer and sale of certain direct investment securities.

5. The Commission has inquired into this matter and considered the relevant information relating to PaineWebber's offer and sale of certain direct investment securities.

6. PaineWebber has consented, without admitting or denying the matters set forth therein, to the issuance of an administrative order by the SEC, In the Matter of PaineWebber Incorporated, Order Instituting Public Administrative Proceedings, Making Findings, Imposing Remedial Sanctions, and Issuing Cease and Desist Order, Securities Act of 1933 Release No. 7257 and Securities Exchange Act of 1934 Release No. 36724 (January 17, 1996) (the "SEC Consent Order"), relating to the offer and sale of certain direct investment securities.

7. Pursuant to the SEC Consent Order, PaineWebber has consented to comply with its representation that it has paid and is obligated to pay an aggregate of $292.5 million for the benefit of purchasers of direct investments sold by PaineWebber, as follows:

a. PaineWebber has paid $120 million and will pay an additional $7.5 million by January 26, 1997, to resolve individual investors claims relating to direct investments;

b. PaineWebber has paid $125 million in cash pursuant to a settlement of the class actions entitled In re: PaineWebber Limited Partnerships Litigation, Master File, 94 Civ. 8547, S.D.N.Y. (SHS), and Sidney Neidich v. Geodyne Resources, Inc., No. 94-052860, Harris County, Texas, 127th Judicial District (the "Class Actions"); and

c. PaineWebber will establish a Claims Fund in the total amount of $40 million for the benefit of investors in certain direct investments sold by PaineWebber.

8. Additionally, PaineWebber has consented to:

a. the appointment of an independent consultant to review PaineWebber's policies and procedures concerning (i) its retail brokerage operations and (ii) publicly disseminated sales materials and broker-only sales and marketing materials;

b. the maintenance of a Committee of PaineWebber's Board of Directors that will set policy for and monitor the firm's implementation of any changes recommended by the consultant and efforts to prevent and detect violations of the federal securities laws;

c. the entry of an SEC administrative Cease-and-Desist Order; and

d. a civil penalty of $5 million.

9. PaineWebber, as part of an on-going effort to enhance compliance with the securities laws, has voluntarily implemented and will maintain significant remedial actions since the conduct alleged herein, including but not limited to:

a. an automated Trade Monitor System that analyzes retail trade data and assists in the identification of potential sales practice abuses;

b. stricter hiring, promotion and termination practices;

c. a conduct review committee designed to enhance compliance with applicable legal and regulatory requirements;

d. a comprehensive review of the business and disciplinary history of all sales agents who had multiple reportable events to determine whether to impose disciplinary and/or additional supervisory measures;

e. an Early Dispute Resolution program to promptly resolve valid customer claims; and

f. modification of its sales agent compensation practices to eliminate (i) any differential paid for the sale of proprietary products and (ii) increased commissions to sales agents based upon the number of trades executed.

II.

CONCLUSIONS OF LAW/VIOLATIONS OF THE VIRGINIA SECURITIES ACT

1. The Commission has jurisdiction over this matter pursuant to the Virginia Securities Act.

2. The SEC Consent Order, describes the following:

a. PaineWebber violated certain of the anti-fraud provisions of the federal securities laws in connection with the marketing and sale of four direct investment programs -- PaineWebber/Geodyne oil and gas programs, PaineWebber Insured Mortgage Partners, PaineWebber Independent Living Mortgage Partners, and Pegasus Aircraft Partners. In this regard, certain material misstatements and omissions of material fact were contained in certain marketing materials that were used by some sales agents in the sale of these four programs relating to, among other things, the risks and rewards and rate of return of such investments.

b. PaineWebber sold direct investments, including but not limited to those above, to certain investors for whom such investments were not suitable in light of their individual financial situations and investment goals.

c. PaineWebber failed to keep adequate books and records as required by the Virginia Securities Act Rules in connection with certain purchases or sales of direct investments on the secondary market.

d. PaineWebber failed to diligently supervise certain sales agents and other employees who prepared, offered and sold direct investments.

The foregoing constitutes violations of § 13.1-502 of the Virginia Securities Act as to a. above, violations of Securities Act Rule 305.A.3 promulgated under the Securities Act as to b. above, Securities Act Rule 301 promulgated under the Securities Act as to c. above, and Securities Act Rule 303.B promulgated under the Securities Act as to d. above.

III.

UNDERTAKING

PaineWebber undertakes to comply with the provisions of the Virginia Securities Act and the Securities Rules promulgated thereunder.

ORDER

THEREFORE, on the basis of the foregoing and PaineWebber's waiver of its right to a hearing and appeal under the Virginia Securities Act with respect to this Settlement Order, and PaineWebber's admission of jurisdiction of the Commission, the Commission is of the opinion and finds that PaineWebber, for the sole purpose of settling this proceeding and without admitting or denying the matters herein, has consented to the entry of this Order and that the following Order is appropriate, in the public interest and necessary for the protection of investors.

IT IS FURTHER ORDERED, pursuant to Virginia Code § 13.1-521, that PaineWebber pay to Commonwealth of Virginia a penalty in the amount of One Hundred Thirty-Six Thousand Four Hundred Thirty-Two Dollars ($136,432), payment of which has been tendered simultaneously with the entry of this Order.

IT IS FURTHER ORDERED that this Order represents the complete and final resolution of, and discharge with respect to, all claims, demands, actions and causes of action by the Commission against PaineWebber and its predecessors, subsidiaries and affiliates for violations of the Securities Act and Securities Act Rules arising as a result of or in connection with any actions or omissions by PaineWebber and/or any of its associated or affiliated persons or entities involving the offer or sale of the direct investment securities listed in attached Exhibit A and is in lieu of further civil or administrative proceedings.

IT IS FURTHER ORDERED that this Order does not include any releases as to any co-sponsors of PaineWebber in connection with the direct investment securities which are the subject of this Order.

IT IS FURTHER ORDERED that this Order does not limit or create any purchaser's private remedies against PaineWebber or others for the direct investment securities, or PaineWebber's defenses thereto.

IT IS FURTHER ORDERED that, except as explicitly provided in this Order, nothing herein is intended to or shall be construed to have created, compromised, settled or adjudicated any claims, causes of action, or rights of any person whomsoever, other than as between the Commission and PaineWebber in accordance with this Order.

IT IS FURTHER ORDERED that any violations of the related SEC Consent Order shall be deemed violations of this Order.

IT IS FURTHER ORDERED that this Order constitutes and includes a waiver based on a finding of good cause by the Commission of any and all limitations and disqualifications that may ensue from the entry of this Order, Orders issued by other state authorities relating to the matters described herein, the SEC Consent Orders or the Court Order entered in the SEC action establishing the Claims Fund that would otherwise affect, restrict or limit the business of PaineWebber and its predecessors, subsidiaries and affiliates or their ability to participate in offerings or avail themselves of exemptions, including, without limitation, the Uniform Limited Offering Exemption, as and to the extent now or hereafter adopted in the Commonwealth of Virginia.

IT IS FURTHER ORDERED that this Order does not permanently or temporarily enjoin PaineWebber, and is not intended to prohibit PaineWebber, from acting as an underwriter, broker, dealer, investment adviser, municipal securities dealer, transfer agent, or entity or person required to be registered under the Commodity Exchange Act, or as an affiliated person of any investment company, bank, insurance company, or entity or person required to be registered under the Commodity Exchange Act, or from engaging in or continuing any conduct or practice in connection with any such activity or in connection with the purchase or sale of any security.

IT IS FURTHER ORDERED that this Order shall become effective immediately.

IT IS FURTHER ORDERED that this matter is dismissed and the papers herein be placed in the file for ended causes.

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

CASE NO. SEC960031
MAY 7, 1996

APPLICATION OF
FARM FAMILY MUTUAL INSURANCE COMPANY

For an official interpretation pursuant to Va. Code § 13.1-525

OFFICIAL INTERPRETATION

THIS MATTER came on for consideration by the Commission upon the letter-application, with exhibit, of Farm Family Mutual Insurance Company ("Applicant") dated March 7, 1996, filed under Virginia Code § 13.1-525 by its counsel and upon payment of the requisite fee. Applicant has requested a determination that the proposed securities transactions described below are exempted from the securities registration requirements of the Securities Act pursuant to Virginia Code § 13.1-514 B 15. The pertinent information contained in the application is summarized as follows:

Applicant is a nonassessable mutual insurance company organized under the laws of the State of New York. Pursuant to a Plan of Reorganization and Conversion dated as of February 14, 1996 ("Plan"), Applicant intends to convert from a mutual property/casualty insurance company to a stock property/casualty insurance company. All of the capital stock of the converted company will be owned by Farm Family Holdings, Inc., a Delaware corporation ("Holding Company"). A principal purpose of the reorganization is to improve Applicant's access to the capital markets and raise capital to permit Applicant to expand and develop its existing business. Under the Plan, eligible policyholders of Applicant will receive either shares of common stock of the Holding Company or cash, and holders of the surplus notes issued by Applicant may exchange their notes for either shares of the Holding Company common stock or cash. Upon effectiveness of the Plan, Applicant will issue to a transfer agent, for the respective accounts of the eligible policyholders and surplus notes holders entitled to receive common stock, a global certificate representing the number of shares allocated to such persons. The transfer agent, on behalf of the recipients of the shares of common stock, will transfer the shares to the Holding Company in exchange for an equal number of shares of the common stock of the Holding Company. The Plan has been submitted to the New York Superintendent of Insurance for approval, after notice and a public hearing, which administrative approval is subject to judicial review. If the Plan is approved by the Superintendent of Insurance, then, pursuant to the requirements of § 7307 of the New York insurance law governing demutualizations of New York domiciled mutual insurance companies, the Plan must be approved by not less than two-thirds of the votes cast by the voting policyholders of Applicant at a special meeting called for the purpose of voting on the Plan.

Virginia Code § 13.1-514 B 15 provides an exemption from the securities, broker-dealer and agent registration requirements of the Securities Act for "[a]ny transaction incident to a right of conversion or a statutory or judicially approved reclassification, recapitalization, reorganization, quasi-reorganization . . . merger . . . or exchange of securities[.]" This exemption recognizes that the benefits of registration under the Act are unnecessary in connection with a transaction that is controlled by a judicial proceeding or statute (e.g., the typical state corporate law) which affords adequate investor protection.

Applicant points out that the reorganization and conversion, if consummated, will contain an exchange of securities which is similar to the kind of exchange that occurs in a traditional reorganization or merger. In addition, because the Plan is subject to approval by the Superintendent of Insurance, after notice and hearing, the transactions include an element of judicial approval, or at least quasi-judicial oversight, as well as disclosure to the policy/shareholders.

THE COMMISSION, upon consideration of this matter and in reliance upon the facts and representations contained in the application, is of the opinion and finds that the securities transactions contained in the proposed reorganization and conversion are within the purview of Virginia Code § 13.1-514 B 15; it is, therefore,

ORDERED that the proposed transactions described above be, and they hereby are, exempted from the securities, broker-dealer and agent registration requirements of the Securities Act pursuant to Virginia Code § 13.1-514 B 15.

CASE NO. SEC960036
MAY 23, 1996

APPLICATION OF
ORTHODOX PRESBYTERIAN CHURCH LOAN FUND, INC.

For an Order of Exemption under §13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated November 14, 1995, with exhibits attached thereto, of Orthodox Presbyterian Church Loan Fund, Inc. (the "Loan Fund"), requesting that certain securities that the Loan Fund proposes to issue be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that certain employees of the Loan Fund be exempted from the agent registration requirements of said Act.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: the Loan Fund is a not-for-profit corporation organized under the laws of the State of Delaware exclusively for religious, educational and charitable purposes; the Loan Fund intends to offer and sell up to $10,000,000 in aggregate principal amount of Fixed Interest Rate Notes (the "Notes") to a limited class of investors; eligible participants are limited to members of, contributors to, or participants in The Orthodox Presbyterian Church, the Loan Fund, or in any program, activity or organization which constitutes a part of The Orthodox Presbyterian Church or the Loan Fund or in other church organizations that have a programmic relationship with The Orthodox Presbyterian Church or the Loan Fund; said offers and sales will be on terms and conditions more fully

described in the Offering Circular filed as a part of the application; and, the Notes will be offered and sold by employees of the Loan Fund who will not be compensated for their sales efforts.

THE COMMISSION, based on the facts asserted by the Loan Fund in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of Code §13.1-514.1 B, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act, and the employees of the Loan Fund who offer and sell Notes be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC960038
JULY 19, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CLUB ON FISHING BAY, INC.,
Defendant

ORDER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising has instituted an investigation of the Defendant, Club on Fishing Bay, Inc. ("COFB"), pursuant to Virginia Code § 13.1-518.

As a result of its investigation, the Division alleges:

(A) That COFB is a Virginia corporation;

(B) That Defendant, in violation of § 13.1-502(2) of the Code of Virginia, obtained money by omitting material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading;

(C) That Defendant, in violation of § 13.1-504 B of the Code of Virginia, employed Emery "Lou" Boudreau as an unregistered agent of the issuer;

(D) That Defendant, in violation of § 13.1-507 of the Code of Virginia, offered and sold unregistered, nonexempt securities in the form of stock, notes and assignments of lease purchase agreements issued by COFB;

(E) That Defendant, with respect to the allegations set out in paragraphs (A)-(D), above, was at all times exclusively controlled by Emery "Lou" Boudreau until his death in November, 1995; and,

(F) That Defendant is subject to a proceeding filed on February 16, 1996 under Chapter 11 of the federal Bankruptcy Code (Case Number 96-10749, Alexandria, Virginia Bankruptcy Court).

Defendant neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order of Settlement.

As a proposal to settle all matters arising from the allegations made against it, Defendant has offered, and agreed to comply with, the following terms and undertakings:

1. Defendant will offer for sale and sell in the Commonwealth, whether directly or indirectly, only securities that are registered under the Virginia Securities Act or exempted therefrom and in compliance with Virginia Code § 13.1-502(2) as well as all other applicable provisions of the Act.

2. Defendant will not employ an unregistered agent.

3. Defendant will refrain from any further conduct which constitutes a violation of the Virginia Securities Act and the Rules promulgated thereunder.

The Division has recommended that Defendant's offer of settlement be accepted pursuant to the authority granted to the Commission in Virginia Code § 12.1-15.

NOW, THEREFORE, IT IS ORDERED:

(1) That, pursuant to the authority granted to the Commission in Virginia Code § 12.1-15, Defendant's offer of settlement is accepted;

(2) That Defendant fully comply with the aforesaid terms and undertakings of the settlement; and,

(3) That this case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. SEC960039
JUNE 7, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
GILBERT MARSHALL & CO.,
Defendant

ORDER ACCEPTING OFFER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising has instituted an investigation of the Defendant, Gilbert Marshall & Co., pursuant to Virginia Code § 13.1-518.

As a result of its investigation, the Division alleges that the Defendant (i) transacted business as an unregistered broker-dealer in violation of Virginia Code § 13.1-504A, (ii) employed unregistered agents in violation of Virginia Code § 13.1-504B, and (iii) offered for sale and sold unregistered securities in the form of shares of corporate stock of Sky Scientific, Inc. in violation of Virginia Code § 13.1-507. The Defendant neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order Accepting Offer of Settlement.

As a proposal to settle all matters arising from the allegations made against it, the Defendant has offered and agreed to comply with the following terms and undertakings:

(A) Within fifteen (15) days of the date of this Order Accepting Offer of Settlement, Gilbert Marshall & Co. will make or cause to be made a written offer of rescission to each Virginia purchaser to whom it sold Sky Scientific corporate stock, to include (i) an offer to repay the full principal sum invested, plus interest thereon at an annual rate of six (6) percent calculated from the date of each stockholder's purchase, less any return received on the securities; (ii) a detailed explanation as to the reason for the rescission offer; and (iii) provisions that the stockholders have thirty (30) days from the date of receipt of the rescission offer to provide Gilbert Marshall & Co. written notification of their decision to accept or reject the offer, and that, if its offer is accepted, Gilbert Marshall & Co. will make repayment within fifteen (15) days from the date it receives each stockholder's acceptance of the offer.

(B) Evidence of compliance with the provisions of paragraph (A), above, will be filed with the Division by the Defendant within thirty (30) days from the date that the offer is rejected or lapses, whichever occurs first; that such evidence will be in the form of an affidavit, executed by the president of Gilbert Marshall & Co., which will contain the following information: (i) the dates on which the stockholders received the offer of rescission; (ii) the dates and nature of the stockholders' responses to the offer; (iii) if applicable, the dates on which payments were remitted to the stockholders and the dollar amounts of the payments.

(C) Gilbert Marshall & Co. will not transact business in Virginia as a broker-dealer unless it is so registered under the Virginia Securities Act or exempted therefrom.

(D) Gilbert Marshall & Co. will employ for purposes of offering or selling securities in this Commonwealth, only agents who are so registered under the Virginia Securities Act or exempted therefrom.

(E) Gilbert Marshall & Co. will offer for sale and sell in this Commonwealth, whether directly or indirectly, only securities that are either registered under the Virginia Securities Act or exempted therefrom.

(F) It is recognized and understood that if the Defendant fails to comply with any of the foregoing terms and undertakings, then the Commission reserves the right to take whatever action it deems appropriate, including, but not limited to, instituting a show cause proceeding under the Virginia Securities Act or other applicable statutes based on such failure to comply, on the allegations contained herein and/or on such other allegations as are warranted and the Defendant will not contest the exercise of the right reserved.

The Division has recommended that the Defendant's offer of settlement be accepted pursuant to the authority granted to the Commission in Virginia Code § 12.1-15, noting that the Division did not seek monetary penalties and assessment of costs of investigation against the Defendant based on the Defendant's representations in a letter dated May 10, 1996 that such penalties and assessments would put the Company below the minimum net capital requirements of the National Association of Securities Dealers, Inc.

NOW, THEREFORE, IT IS ORDERED:

(1) That, pursuant of the authority granted to the Commission in Virginia Code § 12.1-15, the Defendant's offer of settlement is accepted;

(2) That the Defendant fully comply with the aforesaid terms and undertakings of the settlement; and,

(3) That the Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding as described above, or taking such other action it deems appropriate, on account of the Defendant's failure to comply with the terms and undertakings of the settlement.

CASE NO. SEC960042
JUNE 14, 1996

APPLICATION OF
ZION APOSTOLIC CHRISTIAN MEMORIAL CHURCH

For an Order of Exemption under §13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated May 15, 1996, with exhibits attached thereto, as subsequently amended, of Zion Apostolic Christian Memorial Church ("Zion") located at 6201 South Young's Road, Petersburg, VA 23803, requesting that certain General Mortgage Bonds (Series of May 15, 1996) 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: Zion is an unincorporated Virginia organization operating not for private profit but exclusively for religious, educational and benevolent purposes; Zion intends to offer and sell General Mortgage Bonds (Series of May 15, 1996) in an approximate aggregate amount of $3,100,000 on terms and conditions as more fully described in the Prospectus filed as part of the application; and said securities are to be offered and sold in Virginia by broker-dealers so registered under the Securities Act.

THE COMMISSION , based on the facts asserted by Zion in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of Code § 13.1-514.1 B, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act and shall be offered or sold in Virginia by broker-dealers or agents who are so registered under the Securities Act.

CASE NO. SEC960045
JUNE 20, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
UNITY CHRIST CHURCH OF BON AIR,
Defendant

ORDER ACCEPTING OFFER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising has instituted an investigation of the Defendant, Unity Christ Church of Bon Air ("UCCBA"), pursuant to Virginia Code § 13.1-518.

As a result of its investigation, the Division alleges that (i) UCCBA offered for sale and sold unregistered securities in the form of bonds labeled "Certificates of Faith" in violation of Virginia Code § 13.1-507, and (ii) UCCBA employed unregistered agents in violation of Virginia Code § 13.1-504B. The Defendant neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order Accepting Offer of Settlement.

As a proposal to settle all matters arising from the allegations made against it, the Defendant has offered and agreed to comply with the following terms and undertakings:

(A) Within fifteen (15) days of the date of this Order Accepting Offer of Settlement, UCCBA will make or cause to be made a written offer of rescission to each bondholder to include (i) an offer to repay the full principal sum invested, plus interest thereon at an annual rate of six (6) percent calculated from the date of each bondholder's purchase, less any return already received by the bondholder; (ii) an explanation as to the reason for the rescission offer pursuant to the terms of this order; (iii) disclosure of any changes in the cost estimate of renovations to the Church; (iv) provisions that the bondholders have thirty (30) days from the date of receipt of the rescission offer to provide UCCBA written notification of their decision to accept or reject the offer, and that, if its offer is accepted, UCCBA will make repayment within fifteen (15) days from the date it receives each bondholder's acceptance of the offer.

(B) Evidence of compliance with the provisions of paragraph (A), above, will be filed with the Division by UCCBA within thirty (30) days from the date that the offer is rejected or lapses; that such evidence will be in the form of an affidavit, executed by an appropriate representative of UCCBA, which will contain the following information: (i) the dates on which the bondholders received the offer of rescission; (ii) the dates and nature of the bondholders' responses to the offer; (iii) if applicable, the dates on which payments were remitted to the bondholders and the dollar amounts of the payments.

(C) UCCBA will offer for sale and sell in this Commonwealth, whether directly or indirectly, only securities that are either registered under the Virginia Securities Act or exempted therefrom

(D) UCCBA will employ for purposes of offering or selling its securities in this Commonwealth, only agents who are registered under the Virginia Securities Act or exempted therefrom.

(E) It is recognized and understood that if the Defendant fails to comply with any of the foregoing terms and undertakings, then the Commission reserves the right to take whatever action it deems appropriate, including, but not limited to, instituting a show cause proceeding under the

Virginia Securities Act or other applicable statutes based on such failure to comply, on the allegations contained herein and/or on such other allegations as are warranted and the Defendant will not contest the exercise of the right reserved.

The Division has recommended that the Defendant's offer of settlement be accepted pursuant to the authority granted to the Commission in Virginia Code § 12.1-15.

NOW THEREFORE, IT IS ORDERED:

(1) That, pursuant of the authority granted to the Commission in Virginia Code § 12.1-15, the Defendant's offer of settlement is accepted;

(2) That the Defendant fully comply with the aforesaid terms and undertakings of the settlement; and,

(3) That the Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding as described above, or taking such other action it deems appropriate, on account of the Defendant's failure to comply with the terms and undertakings of the settlement.

CASE NO. SEC960046
JUNE 25, 1996

APPLICATION OF
RAPPAHANNOCK WESTMINSTER-CANTERBURY FOUNDATION, INC.

For an Order of Exemption under §13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated June 5, 1996, with exhibits attached thereto, as subsequently amended, of Rappahannock Westminster-Canterbury Foundation, Inc. ("Rappahannock"), requesting that a certain guaranty 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: Rappahannock is a nonprofit organization organized and operated exclusively for religious, charitable, scientific, literary and educational purposes; Rappahannock intends to guaranty the Residential Care Facility Mortgage Revenue Refunding Bonds (Rappahannock Westminster-Canterbury), Series 1996 (the "Bonds"), of the Industrial Development Authority of Lancaster County, Virginia (the "Authority") in an approximate aggregate amount of $19,280,000 on terms and conditions as more fully described in the Prospectus filed as a part of the application; and said securities are to be offered and sold by broker-dealers so registered under the Securities Act.

THE COMMISSION, based on the facts asserted by Rappahannock in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of Code § 13.1-514.1 B, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act.

CASE NO. SEC960053
JULY 11, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
FLEET ENTERPRISES, INC.,
Defendant

ORDER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising has instituted an investigation of the Defendant, Fleet Enterprises, Inc., formerly NatWest Investor Services Corporation, pursuant to Virginia Code § 13.1-518.

As a result of its investigation, the Division alleges that the Defendant (i) transacted business in this Commonwealth as an unregistered broker-dealer in violation of Virginia Code § 13.1-504A, and (ii) employed unregistered agents in violation of Virginia Code § 13.1-504B. The Defendant neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order of Settlement.

As a proposal to settle all matters arising from the allegations made against it, the Defendant has offered and agreed to comply with the following terms and undertakings:

(A) Fleet Enterprises, Inc. will not transact business in Virginia as a broker-dealer unless it is so registered under the Virginia Securities Act or exempted therefrom;

(B) Fleet Enterprises, Inc. will employ for purposes of offering or selling securities in this Commonwealth, only agents who are so registered under the Virginia Securities Act or exempted therefrom; and,

(C) Fleet Enterprises, Inc. will pay a penalty of twenty-five thousand dollars ($25,000) to the Commonwealth and will reimburse the Commission five hundred dollars ($500) as costs of the Commission's investigation.

The Division has recommended that the Defendant's offer of settlement be accepted pursuant to the authority granted to the Commission in Virginia Code § 12.1-15.

NOW, THEREFORE, IT IS ORDERED:

(1) That, pursuant of the authority granted to the Commission in Virginia Code § 12.1-15, the Defendant's offer of settlement is accepted;

(2) That the Defendant fully comply with the aforesaid terms and undertakings of the settlement; and,

(3) That pursuant to Virginia Code § 13.1-521, the Defendant pay to the Commonwealth a penalty in the amount of twenty-five thousand dollars ($25,000), and that pursuant to Virginia Code § 13.1-518, the Defendant pay to the Commission five hundred dollars ($500) to defray the cost of investigation, and that the Commonwealth of Virginia and the Commission recover of and from the Defendant, said amounts;

(4) That the total sum of twenty-five thousand five hundred dollars ($25,500) tendered by Fleet Enterprises, Inc. contemporaneously with the entry of this Order of Settlement is accepted; and,

(5) That this matter is dismissed from the Commission's docket and the papers herein be placed in the file for ended causes.

CASE NO. SEC960081
NOVEMBER 18, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte, in re: Promulgation of rules pursuant to Virginia Code § 13.1-523 (Securities Act) and § 13.1-572 (Retail Franchising Act)

ORDER AMENDING AND ADOPTING RULES

On or about September 30, 1996, the Division of Securities and Retail Franchising mailed to broker-dealers and investment advisors registered or pending registration under the Securities Act (Va. Code § 13.1-501 et seq.), issuers who had agents registered or pending registration under the Securities Act, franchisors who had franchises registered or pending registration under the Retail Franchising Act (Va. Code § 13.1-557 et seq.), and to other interested parties summary notice of proposed amendments to the existing Securities Act and Retail Franchising Act Rules and forms, and of the opportunity to file comments and request to be heard with respect to any objections to the proposals. Similar notice was published in several newspapers in general circulation throughout the Commonwealth. This notice also was published in "The Virginia Register of Regulations," Vol. 13, Issue 2, Oct. 14, 1996, p. 144. The notice stated that the purposes of the proposed changes are to correct misspellings and other minor errors in the Rules and to reformat and renumber the Rules so they conform to the numbering scheme and format of the Rules as published in the Virginia Administrative Code. No comments or requests to be heard were filed and no hearing was held.

The Commission, upon consideration of the proposals and the recommendations of the Division, is of the opinion and finds that the proposals should be adopted as noticed. Accordingly, it is

ORDERED:

(1) That evidence of mailing and publication of notice of the proposed amendments to the Rules be filed in this case;

(2) That the proposed amendments previously noticed be, and they hereby are, adopted and shall become effective as of December 1, 1996; and,

(3) That this matter is dismissed from the Commission's docket and the papers herein be placed in the file for ended causes.

CASE NO. SEC960087
OCTOBER 22, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
WASHINGTON SQUARE SECURITIES, INC.,
Defendant

ORDER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising has instituted an investigation of Defendant, Washington Square Securities, Inc., pursuant to Virginia Code § 13.1-518.

As a result of its investigation, the Division alleges that Defendant, a broker-dealer so registered under the Virginia Securities Act ("Act"), has:

(A) In violation of Commission Securities Act Rule 303 B., failed to exercise diligent supervision over the securities activities of one of its Virginia agents, Stuart Laurence Rosenthal.

(B) In violation of Commission Securities Act Rule 304 A. 2., failed to make and keep current a complete record for each person who became a customer by not including the marital status of such customer in the records.

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) Defendant will refrain from any further conduct which constitutes a violation of the Virginia Securities Act or the Rules promulgated thereunder.

(2) Defendant, pursuant to § 13.1-521 of the Code of Virginia, will pay a penalty to the Commonwealth in the amount of five thousand dollars ($5,000.00), which will be tendered contemporaneously with the entry of this order; and,

(3) Defendant, pursuant to § 13.1-518 of the Code of Virginia, will pay to the Commission the sum of two hundred fifty dollars ($250.00) as reimbursement for the costs of the Division's investigation.

The Division has recommended that Defendant's offer of settlement be accepted pursuant to the authority granted to the Commission in Virginia Code § 12.1-15.

NOW, THEREFORE, IT IS ORDERED:

(1) That, pursuant to the authority granted to the Commission in Virginia Code § 12.1-15, Defendant's offer of settlement is accepted;

(2) That Defendant fully comply with the aforesaid terms and undertakings of the settlement;

(3) That pursuant to Virginia Code § 13.1-521, Defendant pay a penalty to the Commonwealth in the amount of five thousand dollars ($5,000.00) and the Commonwealth recover of and from Defendant said amount;

(4) That pursuant to Virginia Code § 13.1-518, Defendant pay to the Commission the amount of two hundred fifty dollars ($250.00) for the cost of the Division's investigation;

(5) That the sum of five thousand two hundred fifty dollars ($5,250.00) tendered by Defendant contemporaneously with the entry of this order is accepted; and,

(6) That all issues raised in this matter concerning the Defendant's alleged violation of the Securities Act of Virginia be, and they hereby are, settled; that this order, solely by reason of its entry, shall not affect any duty or obligation to disclose the existence or nature of this matter; and, that this matter be, and it hereby is, dropped from the Commission's docket and the papers herein be placed in the file for ended causes.

CASE NO. SEC960089
OCTOBER 11, 1996

APPLICATION OF
VIRGINIA HIGHER EDUCATION TRUST FUND

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 exhibits, of the Virginia Higher Education Trust Fund ("Applicant") dated August 16, 1996, filed under Va. Code § 13.1-525 by its counsel, the Attorney General of Virginia. Payment of the fee has been waived. Applicant has requested determinations that the securities described below are exempted from the securities registration requirements of the Securities Act ("Act") pursuant to Va. Code § 13.1-514 A 1 and that its employees, officers and members of its Board are not investment advisors or investment advisor representatives in respect of their efforts on behalf of Applicant. The pertinent information contained in the application is summarized as follows:

Applicant was established by the Virginia General Assembly in 1994 as a special nonreverting fund, effective July 1, 1996, in the treasury of the Commonwealth. The statutes governing Applicant's creation and operation are codified at §§ 23-38.75 - 23-38.87 of the Code of Virginia. In a May 10, 1996, letter to Applicant, the Office of the Attorney General of Virginia opined that Applicant is an agency of the Commonwealth (a copy of this letter was included with the application). The purpose of Applicant is to enhance the accessibility and affordability of higher education for the citizens of Virginia through the purchase of contracts for the prepayment of college tuition. It is contemplated that the prepayment program will "cap" some or all of the future cost of tuition for an eligible beneficiary through the purchase of a contract and payment in advance of the specified amount (which amount presumably will be less than the amount of tuition required in the future). Once the amount specified in the contract has been paid, Applicant is required to pay some, or all, of the tuition for a beneficiary who attends a qualified institution. The percentage of tuition to be paid by Applicant will vary according to whether the beneficiary attends a Virginia public institution, an independent Virginia institution, or an out-of-state institution. The assets of

Applicant will consist of payments received pursuant to the contracts, contributions by way of bequests, endowments and grants, and earnings on investment of the assets. The management and investment of the assets of Applicant are responsibilities of its Board.

Virginia Code § 13.1-514 A 1 exempts from the securities registration requirements of the Act "[a]ny security ... issued ... by ... any state ... or any agency or ... instrumentality of [a state]." Applicant contends that the contracts, if they are securities, are within the scope of this exemption.

Virginia Code § 13.1-525 authorizes the Commission to determine whether or not a person is an investment advisor or investment advisor representative. Applicant asserts that it and its officers, employees and members of its Board are neither investment advisors nor investment advisor representatives under the circumstances presented.

THE COMMISSION, in reliance on the information submitted by Applicant and upon consideration of this matter, is of the opinion and finds (i) that Applicant is an agency or instrumentality of the Commonwealth of Virginia for purposes of Va. Code § 13.1-514 A 1 as well as for purposes of Rule 1300 F of the Securities Act Rules of the Commission, which excludes from the term "investment advisor" a governmental agency or instrumentality, and (ii) that neither Applicant nor any member of its Board or any of its officers and employees are investment advisors or investment advisor representatives solely because of their activities on behalf of Applicant. It is, therefore,

ORDERED:

(1) That the prepayment contracts described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act pursuant to Va. Code § 13.1-514 A 1; and

(2) That the members of the Board, officers and employees of Applicant are not investment advisors or investment advisor representatives in connection with their activities on behalf of Applicant.

CASE NO. SEC960090
OCTOBER 11, 1996

APPLICATION OF
LUTHERAN CHURCH EXTENSION FUND - MISSOURI SYNOD

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated September 12, 1996, with exhibits attached thereto, as subsequently amended, of Lutheran Church Extension Fund - Missouri Synod ("Lutheran"), requesting that certain Dedicated Savings Certificates, Fixed Rate Term Notes, Floating Rate Term Notes, Growth Certificates and Congregation Certificates (the "Investment Obligations") be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that certain members of Lutheran be exempted from the agent registration requirements of said Act.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: Lutheran is a Missouri Corporation organized and operated not for private profit but exclusively for religious, educational and charitable purposes; Lutheran intends to offer and sell the investment obligations in an approximate aggregate amount of $17,000,000 on terms and conditions as more fully described in the Offering Circular filed as a part of the application; and said securities are to be offered and sold by agents of the issuer who will not be compensated for their sales efforts.

THE COMMISSION, based on the facts asserted by Lutheran in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of Code § 13.1-514.1 B, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act and that the agents of the issuer be exempted from the agent registration requirements of said Act.

CASE NO. SEC960091
OCTOBER 22, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ROBERT A HEWITT, JR.,
Defendant

ORDER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising has instituted an investigation of the Defendant, Robert A. Hewitt, Jr., pursuant to Virginia Code § 13.1-518.

As a result of the investigation, the Division alleges that Robert A. Hewitt, Jr. transacted business in this Commonwealth as an unregistered agent for Investment Marketing, Inc., in violation of Virginia Code § 13.1-504(A). The Defendant neither admits nor denies this allegation, but admits the Commission's jurisdiction and authority to enter this Order of Settlement.

As a proposal to settle all matters arising from the allegation made against him, the Defendant has offered, and agreed to comply with, the following terms and undertakings:

(1) Robert A. Hewitt, Jr. will not, directly or indirectly, transact business in the Commonwealth as an agent unless so registered under the Virginia Securities Act or exempted therefrom.

(2) Robert A. Hewitt, Jr. will refrain from any conduct which constitutes a violation of the Virginia Securities Act or the Rules promulgated thereunder.

(3) Robert A. Hewitt, Jr. will pay to the Commonwealth a penalty in the amount of five thousand dollars ($5,000) and will pay to the Commission the sum of five hundred dollars ($500) to defray the costs of the investigation.

The Division has recommended that the Defendant's offer of settlement be accepted pursuant to the authority granted to the Commission in Virginia Code § 12.1-15.

NOW, THEREFORE, IT IS ORDERED:

(1) That, pursuant to the authority granted to the Commission in Virginia Code § 12.1-15, the Defendant's offer of settlement is accepted;

(2) That the Defendant fully comply with the aforesaid terms and undertakings of the settlement;

(3) That Robert A. Hewitt, Jr., pursuant to Virginia Code § 13.1-521, pay to the Commonwealth a penalty in the amount of five thousand dollars ($5,000) and, pursuant to Virginia Code § 13.1-518(A), pay to the Commission the sum of five hundred dollars ($500) to defray the costs of the investigation, and that the Commonwealth of Virginia and the Commission recover of and from the Defendant said amounts;

(4) That the total sum of five thousand five hundred dollars ($5,500) tendered by Robert A. Hewitt, Jr. contemporaneously with the entry of this Order of Settlement is accepted; and

(5) That this case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. SEC960096
OCTOBER 29, 1996

APPLICATION OF
BANK JULIUS BAER, NEW YORK BRANCH

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 Bank Julius Baer, New York Branch ("Applicant") dated August 5, 1996, as supplemented and resubmitted by letter dated August 22, 1996, filed under Va. Code § 13.1-525 by its counsel and upon payment of the requisite fee. Applicant has requested a determination that it is a bank for purposes of the exclusion contained in clause (ii) of the definition of the term "investment advisor" in Va. Code § 13.1-501, and, consequently, is excluded from the registration and other provisions of the Securities Act (Va. Code § 13.1-501 et seq.) ("Act").

The pertinent information contained in the application is summarized as follows: Applicant is a United States branch of a foreign bank. Federal banking laws require a foreign bank seeking to establish banking operations in the United States to demonstrate to the appropriate bank regulatory authority that it meets the same general standards of strength, experience and reputation as are applied to domestic organizers of banks and bank holding companies. Once established, a domestic branch of a foreign bank, including Applicant, is subject to the same ongoing regulation, supervision and examination by federal and state banking authorities as is a domestic financial institution.

The definition of "investment advisor" in the Act identifies several classes of persons and entities which are expressly excluded from that term, including "(ii) a bank, a bank holding company as defined in the Bank Holding Company Act of 1956 which is not an investment company, a trust subsidiary organized under Article 3.1 (§ 6.1-32.1 et seq.) of Chapter 2 of Title 6.1, a savings institution, a credit union, or a trust company. . . ." Applicant asserts that banks are excepted from the definition of "investment adviser" in the Investment Advisers Act of 1940, and that the Securities and Exchange Commission, by interpretation, includes foreign branches such as Applicant within this exception to the federal statute.

For purposes of the securities registration exemption provided by Va. Code § 13.1-514 A 3 (securities issued or guaranteed by any national or state-chartered bank), the Commission has treated as a national or state bank a foreign bank's domestic entity which is subject to regulation and supervision substantially similar to that applied to domestic institutions. See Application of E. F. Hutton & Company Inc., Case No. SEC870009, Feb. 12, 1987 (domestic agency of Japanese bank deemed bank for purpose of § 13.1-514 A 3); Application of E. F. Hutton & Company Inc., Case No. SEC870023, Mar. 16, 1987 (domestic branch of Japanese bank deemed bank for purpose of § 13.1-504 A 3). In view of the circumstances of this matter, Applicant should be accorded similar treatment.

THE COMMISSION, in reliance on the information submitted and upon consideration of such information as well as its prior determinations, is of the opinion and finds that Applicant should be deemed a "bank" as that term is used in clause (ii) of the definition of investment advisor; it is, therefore,

ORDERED that Bank Julius Baer, New York Branch be, and it hereby is, excluded from the definition of "investment advisor" in the Securities Act so long as it is subject to regulation, supervision and examination comparable to that applied to national and state banks.

CASE NO. SEC960103
DECEMBER 13, 1996

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
BENNIE R. HARRIS II, d/b/a THE HAVILLAH COMPANY (formerly BENNIE HARRIS & ASSOCIATES),
Defendant

ORDER ACCEPTING OFFER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising has instituted an investigation of the Defendant, Bennie R. Harris II, d/b/a The Havillah Company (formerly Bennie Harris & Associates) collectively referred to hereafter as "HARRIS", pursuant to Virginia Code § 13.1-518.

As a result of its investigation, the Division alleges that (i) HARRIS transacted business in this Commonwealth as an unregistered Broker-Dealer in violation of Virginia Code § 13.1-504A, (ii) Bennie R. Harris II, individually, transacted business in this Commonwealth as unregistered agent of HARRIS in violation of Virginia Code § 13.1-504A, (iii) HARRIS employed unregistered agents in violation of Virginia Code § 13.1-504B, and (iv) HARRIS, acting as a Broker-Dealer, and Bennie R. Harris II, acting as an agent, offered and sold unregistered securities in violation of Virginia Code § 13.1-507. The Defendant neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order Accepting Offer of Settlement.

As a proposal to settle all matters arising from the allegations made against him, the Defendant has offered, and agreed to comply with, the following terms and undertakings:

(A) Within fifteen (15) days of the date of this Order Accepting Offer of Settlement, the Defendant will make, or cause to be made, a written offer of rescission to *all persons who purchased notes or evidences of indebtedness* (hereafter referred to collectively as *Noteholders*) issued by the Defendant. The rescission offer will include at a minimum 1) an explanation that the rescission offer is pursuant to the terms of this order, 2) a provision that allows Noteholders thirty (30) days from the date of receipt of the rescission offer to provide the Defendant written notification of their decision to accept or reject the offer, 3) notice that Noteholders accepting the rescission offer will receive the full principal sum invested, together with a rate of interest thereon of six percent per annum, less any return previously received on their notes or evidences of indebtedness, within sixty (60) days of the date of this order, with a proviso that if Defendant is not financially capable of making all required payments within sixty (60) days of the date of this order, he will provide all Noteholders within sixty (60) days of the date of this order with audited financial statements evidencing his inability to make restitution, to include an initial repayment schedule that provides, at a minimum, a projected payment date or dates, amount to be paid on the payment date(s), and follow-on quarterly updates, as necessary, until they receive payment in full, and 4) notice to Noteholders not accepting the rescission offer that payment of their notes will be made as soon as possible following the notes due date, or, annual renewal date if no due date is specified on their note or evidence of indebtedness, but only after those individuals accepting the rescission offer have been repaid in full.

(B) Evidence of compliance with the provisions contained in (A), above, will be filed with the Division by the Defendant within seventy-five (75) days from the date of this Order Accepting Offer of Settlement.

(C) Evidence of compliance will be in the form of an affidavit executed by HARRIS and will contain the following information: (i) a statement that an offer of rescission was sent to each Noteholder, (ii) the name and date that each Noteholder received the offer of rescission, (iii) the date and nature of each Noteholders response to the rescission offer, and if applicable, (v) the date, principal sum and interest remitted to, and/or is scheduled to be remitted to, each Noteholder accepting the rescission offer, (vi) if applicable, copies of audited financials and repayment schedules provided to noteholders not receiving full payment due within sixty (60) days of the date of this order.

(D) HARRIS will be permanently enjoined from transacting business in this Commonwealth as an agent unless so registered under the Virginia Securities Act, or exempt therefrom.

(E) HARRIS will be permanently enjoined from employing any securities agent, unless the agent is registered under the Virginia Securities Act, or exempt therefrom.

(F) HARRIS will be permanently enjoined from offering or selling securities in violation of § 13.1-507 of the Virginia Securities Act.

(G) HARRIS will disclose this ORDER ACCEPTING OFFER OF SETTLEMENT in any future security offerings and/or sales by or through HARRIS, any successor company, or any company owned or controlled by HARRIS.

(H) Pursuant to Virginia Code § 13.1-521, the Defendant will pay to the Commonwealth a penalty in the amount of twenty-five thousand dollars ($25,000) and, pursuant to Virginia Code § 13.1-518, the Defendant will pay to the Commission the sum of two thousand dollars ($2,000) to defray the costs of the investigation.

(I) It is recognized and understood that if the Defendant fails to comply with any of the foregoing terms and undertakings, then the Commission reserves the right to take whatever action it deems appropriate, including, but not limited to, instituting a show cause proceeding under the Virginia Securities Act or other applicable statutes based on such failure to comply, on the allegations contained herein and/or on such other allegations as are warranted and the Defendant will not contest the exercise of the right reserved.

The Division has recommended that the Defendant's offer of settlement be accepted pursuant to the authority granted to the Commission in Virginia Code § 12.1-15.

NOW, THEREFORE, IT IS ORDERED:

(1) That, pursuant to the authority granted to the Commission in Virginia Code § 12.1-15, the Defendant's offer of settlement is accepted;

(2) That the Defendant fully comply with the aforesaid terms and undertakings of the settlement;

(3) That pursuant to Virginia Code § 13.1-521, HARRIS pay to the Commonwealth a penalty in the amount of twenty-five thousand dollars ($25,000), that pursuant to Virginia Code § 13.1-518, HARRIS pay to the Commission the sum of two thousand dollars ($2,000) to defray the costs of the investigation, and that the Commission recover of and from the Defendant said amounts;

(4) That the sum of twenty-seven thousand dollars ($27,000) tendered by the Defendant contemporaneously with the entry of this order is accepted;

(5) That, pursuant to Virginia Code § 13.1-519, HARRIS is permanently enjoined from transacting business in this Commonwealth as an agent unless so registered under the Virginia Securities Act, or exempt therefrom;

(6) That, pursuant to Virginia Code § 13.1-519, HARRIS is permanently enjoined from employing any securities agent in this Commonwealth, unless the agent is registered under the Virginia Securities Act, or exempt therefrom;

(7) That, pursuant to Virginia Code § 13.1-519, HARRIS is permanently enjoined from offering or selling securities in violation of § 13.1-507 of the Virginia Securities Act; and,

(8) That the Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding as described above, or taking such other action it deems appropriate, on account of the Defendant's failure to comply with the terms and undertakings of the settlement.

CASE NO. SEC960105
DECEMBER 11, 1996

APPLICATION OF
PRESBYTERIAN CHURCH (U.S.A.) INVESTMENT AND LOAN PROGRAM, INC.

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated November 15, 1996, with exhibits attached thereto, of Presbyterian Church (U.S.A.) Investment and Loan Program, Inc. ("PILP"), requesting that certain debt securities that PILP proposes to issue be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that certain of PILP's officers and employees be exempted from the agent registration requirements of said Act.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: PILP is a nonprofit corporation organized under the laws of the Commonwealth of Pennsylvania exclusively for religious, educational, benevolent and charitable purposes; PILP intends to offer and sell up to $100,000,000 in aggregate principal amount of Fixed Rate Notes and Adjustable Rate Notes (together, the "Notes") on terms and conditions as more fully described in the Offering Circular filed as a part of the application; and, the Notes will be offered and sold by officers and employees of PILP who will not be compensated for their sales efforts.

THE COMMISSION, based on the facts asserted by PILP in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of Code § 13.1-514.1 B, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act and the officers and employees of PILP who offer and sell the Notes be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC960106
DECEMBER 19, 1996

APPLICATION OF
IMPERIAL THRIFT AND LOAN ASSOCIATION

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 exhibits, of Imperial Thrift and Loan Association ("Applicant") dated October 16, 1996, 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 3, or, if this exemption is unavailable, then Va. Code § 13.1-514 A 1. The pertinent information contained in the application is summarized as follows:

Applicant is a publicly held industrial loan company chartered under the California Industrial Loan Law. California industrial loan companies are also known as thrift and loan companies as well as investment and loan companies. Applicant is subject to supervision and regulation by the California Commissioner of Corporations. The securities that Applicant intends to issue and publicly offer and sell in Virginia are deposit products (i.e., debt instruments) termed "investment certificates" by the California Industrial Loan Law, and are popularly referred to as passbook or statement savings accounts and certificates of deposit. Applicant is a member of the Federal Deposit Insurance Corporation ("FDIC"), which insures the principal of and accrued interest on Applicant's deposit products to the same extent it insures deposit products of state-chartered banks. The FDIC is an agency or corporate or other instrumentality of the United States created by the Federal Deposit Insurance Act.

The relevant provisions of Va. Code § 13.1-514 A 3 exempt from the securities registration requirements of the Securities Act "[a]ny security issued by and representing an interest in or debt of . . . any bank or trust company organized under the laws of any state . . . ." Applicant erroneously asserts that any "savings institution" organized under state law is included within this exemption. As is pertinent to this matter, A 3 applies only to "banks," whether federally or state chartered. Different exemptive provisions of the Securities Act cover other types of financial institutions, but only if they are organized under the laws of this Commonwealth or federal law. For example, § 13.1-514 A 4 provides a registration exemption for securities of "savings and loan associations" and "savings banks" formed pursuant to federal or Virginia statutes, and Virginia state-chartered "credit unions," "industrial loan companies" and "consumer finance companies" can avail themselves of the exemption set forth in § 13.1-514 A 6. Consistent with the admonishment to "read narrowly the exemption provisions" of the Securities Act, Pollok v. Commonwealth, 217 Va. 411, 413 (1976), we believe Applicant's securities are outside the scope of § 13.1-514 A 3.

Virginia 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 its securities it proposes to offer and sell in the Commonwealth, a position with which we agree.

THE COMMISSION, in reliance on the information submitted and upon consideration of this matter, is of the opinion and finds (i) 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 and (ii) the exemption provided by Va. Code § 13.1-514 A 3 is not available to Applicant's securities. 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 securities owned by each purchaser does not exceed the insurable limit (as now or hereafter in effect) and so long as each security is fully insured by the Federal Deposit Insurance Corporation.

CASE NO. SEC960107
DECEMBER 20, 1996

APPLICATION OF
MARY BALDWIN COLLEGE

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated October 22, 1996, with exhibits attached thereto, as subsequently amended, of Mary Baldwin College located at Frederick and New Streets, Staunton, Virginia 24401, requesting that certain Charitable Gift Annuities be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that certain employees of Mary Baldwin College be exempted from the agent registration requirements of said Act.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: Mary Baldwin College is a Virginia corporation operating not for private profit but exclusively for religious, educational and benevolent purposes; Mary Baldwin College intends to offer and sell Charitable Gift Annuities on terms and conditions as more fully described in the Gift Annuity Fund Disclosure Statement filed as a part of the application; said securities are to be offered and sold by employees of Mary Baldwin College who will not be compensated for their sales efforts; and said securities may also be offered and sold by broker-dealers so registered under the Securities Act.

THE COMMISSION, based on the facts asserted by Mary Baldwin College in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of Code § 13.1-514.1 B, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act and the employees Mary Baldwin College be, and they hereby are, exempted from the agent registration requirements of said Act.

TABLES

CLERK'S OFFICE

Summary of the changes in the number of Virginia corporations, foreign corporations, and limited partnerships licensed to do business in Virginia, and of amendments to Virginia, foreign, and limited partnership charters during 1995 and 1996.

VIRGINIA CORPORATIONS

	1995	1996
Certificates of Incorporation issued	19,172	18,711
Corporations voluntarily terminated	2,044	2,087
Corporations involuntarily terminated	337	279
Corporations automatically terminated	13,584	12,132
Reinstatements of terminated corporations	2,224	2,819
Charters amended	3,073	3,158
Active Stock Corporations	130,020	132,337
Active Non-Stock Corporations	23,815	24,297
Total Active Virginia Corporations	153,835	156,634

FOREIGN CORPORATIONS

Certificates of Authority to do business in Virginia issued	3,863	4,001
Voluntary withdrawals from Virginia	911	871
Certificates of Authority automatically revoked	2,185	1,863
Certificates of Authority involuntarily revoked	50	51
Reentry of corporations with surrendered or revoked certificates	441	516
Charters amended	1,179	934
Active Stock Corporations	27,837	28,571
Active Non-Stock Corporations	1,670	1,720
Total Active Foreign Corporations	29,507	30,291
Total Active (Foreign and Domestic) Corporations	183,342	186,925

LIMITED PARTNERSHIPS

Limited Partnership Certificates filed	1,304	1,115
Limited Partnership Certificates amended	703	533
Limited Partnership Certificates voluntarily canceled	438	350
Limited Partnership Certificates involuntarily canceled	0	3,340
Total Active Limited Partnerships	9,789	11,307

LIMITED LIABILITY COMPANIES

Articles of organization filed	4,215	5,398
Articles of organization amended	210	106
Articles of organization canceled	154	130
Total Active Limited Liability Companies	9,745	15,178

LIMITED LIABILITY PARTNERSHIPS

Applications Limited Liability Partnerships	56	86
Renewals Limited Liability Partnerships	11	29
Total Active Limited Liability Partnerships	85	116

COMPARISON OF REVENUES DEPOSITED BY THE CLERK'S OFFICE FOR THE FISCAL YEARS ENDING JUNE 30, 1995, AND JUNE 30, 1996

General Fund	1995	1996	Difference
Security Registration Fee	$6,775.00	$6,000.00	($775.00)
Charter Fees	1,360,858.40	1,392,225.20	31,366.80
Entrance Fees	1,164,198.00	1,302,252.60	138,054.60
Filing Fees	814,649.00	812,737.00	(1,912.00)
Registered Name	1,368.00	1,430.00	62.00
Registered Office and Agent	170,219.00	490.00	(169,729.00)
Service of Process	20,850.00	20,700.00	(150.00)
Copy & Recording Fees	388,024.95	392,477.25	4,452.30
Annual Report Publication	8,495.00	4,837.00	(3,658.00)
Uniform Commercial Code Revenues	773,673.00	757,868.00	(15,805.00)
Excess Fees Paid into State Treasury	93,879.62	136,695.68	42,816.06
Miscellaneous Sales	90.00	0.00	(90.00)
TOTAL	$4,803,079.97	$4,827,712.73	$24,632.76
Special Fund			
Domestic-Foreign	$13,943,311.58	$14,243,285.45	$299,973.87
Limited Partnership Registration Fee	388,070.00	371,526.50	(16,543.50)
Reserved Name - Limited Partnership	30,480.00	22,830.00	(7,650.00)
Certificate Limited Partnership	107,300.00	100,000.00	(7,300.00)
Application Reg. Foreign L.P.	27,200.00	24,800.00	(2,400.00)
Registration Fee LLC	169,850.00	230,408.00	60,558.00
Application for Reg. LLC	18,075.00	26,900.00	8,825.00
Art of Org Dom. LLC	335,500.00	419,589.00	84,089.00
AJD, CANC, CORR. RAC, Etc. LLC	12,345.00	14,875.00	2,530.00
SCC Bad Check Fee	4,395.00	3,715.00	(680.00)
Interest on Del. Tax	3.70	0.00	(3.70)
Penalty on Non-Pay Taxes by Due Date	313,023.51	392,414.58	79,391.07
Miscellaneous Revenue	36,000.00	42,000.00	6,000.00
New Applications LLP	4,300.00	2,250.00	(2,050.00)
Renewals LLP	50.00	700.00	650.00
Recovery of Prior Year Expenses	3,717.39	356.57	(3,360.82)
TOTAL	$15,393,621.18	$15,895,650.10	$502,028.92
Valuation Fund			
Miscellaneous Revenue	$0.00	$5,000.00	$5,000.00
Recovery of Copy & Cert. Fee	4,099.50	3,965.55	(133.95)
Recovery of Prior Year Expenses	2,459.50	773.37	($1,686.13)
TOTAL	$6,559.00	$9,738.92	$3,179.92
Motor Carrier Special Fund			
SCC Bad Chk. Fee	$0.00	$0.00	$0.00
Recovery of Prior Year Expenses	0.00	64.45	64.45
TOTAL	$0.00	$64.45	$64.45
Trust & Agency Fund			
Fines Imposed by SCC	$50,350.00	$31,160.00	($19,190.00)
TOTAL	$50,350.00	$31,160.00	($19,190.00)
Federal Funds			
Receipt of Agency Indirect Cost of Grant/Contract Administration	$19,615.17	$32,855.00	$13,239.83
Gas Pipeline Safety	124,783.00	196,358.00	71,575.00
TOTAL	144,398.17	229,213.00	84,814.83
GRAND TOTAL	$20,398,008.32	$20,993,539.20	$595,530.88

COMPARISON OF FEES COLLECTED BY THE BUREAU OF FINANCIAL INSTITUTIONS FOR FISCAL YEARS ENDING JUNE 30, 1995, AND JUNE 30, 1996

	1994/1995	1995/1996
Banks	$5,607,547	$5,909,644
Savings Institutions and Savings Banks	33,319	35,559
Consumer Finance Licensees	693,527	669,372
Credit Unions	516,282	525,326
Trust subsidiaries and Trust Companies	173,786	91,204
Industrial Loan Associations	23,319	18,220
Money Order Sellers and Transmitters	5,500	4,250
Debt Counseling Agency Licensees	6,300	7,800
Mortgage Lenders and Mortgage Brokers	834,388	915,822
Miscellaneous Collections	32,334	9,709
TOTAL	$7,926,302	$8,186,906

COMPARISON OF FEES AND TAXES COLLECTED BY THE BUREAU OF INSURANCE FOR THE FISCAL YEARS ENDING JUNE 30, 1995, AND JUNE 30, 1996

Kind	1995	1996	Increase or (Decrease)
General Fund			
Gross Premium Taxes of Insurance Companies	$209,784,062.99	$218,046,425.32	$8,262,362.33
Fraternal Benefit Societies Licenses	500.00	540.00	40.00
Hospital, Medical, and Surgical Plans and Salesmen's Licenses	65,040.00	129,830.00	64,790.00
Interest on Delinquent Taxes	129,584.09	137,956.92	8,372.83
Penalty on non-payment of taxes by due date	103,265.58	84,461.60	(18,803.98)
Special Fund			
Company License Application Fee	18,000.00	26,000.00	8,000.00
Health Maintenance Organization License Fee	500.00	500.00	0.00
Automobile Club/Agent Licenses	7,494.00	8,238.00	744.00
Insurance Premium Finance Companies Licenses	11,300.00	10,200.00	(1,100.00)
Agents Appointment Fees	5,659,610.00	7,127,206.00	1,467,596.00
Surplus Lines Broker Licenses	14,969.84	15,875.00	905.16
Agents License Application Fees	295,365.00	309,375.00	14,010.00
Recording, Copying, and Certifying Public Records Fee	59,302.55	53,803.60	(5,498.95)
Assessments To Insurance Companies for Maintenance of the Bureau of Insurance	7,985,842.31	6,442,447.14	(1,543,395.17)
Miscellaneous Revenues	3.00	0.00	(3.00)
Recovery of Prior Year Expenses	111,932.05	122,615.12	10,683.07
Fire Programs Fund	9,038,388.49	11,873,498.15	2,835,109.66
Licensing P&C Consultants	41,850.00	42,850.00	1,000.00
SCC Bad Check Fee	75.00	200.00	125.00
Fines Imposed by State Corporation Commission	6,083,650.00	626,350.00	(5,457,300.00)
Private Review Agents	26,500.00	10,000.00	(16,500.00)
Flood Assessment Fund	139,185.56	69,997.80	(69,187.76)
Heat Assessment Fund	748,111.69	823,706.31	75,594.62
Reinsurance Intermediary Broker Fees	2,000.00	1,000.00	(1,000.00)
Managing General Agent Fees	6,500.00	5,000.00	(1,500.00)
State Publication Sales	660.00	560.00	(100.00)
TOTAL	$240,333,692.15	$245,968,635.96	$5,634,943.81

COMPARISON OF ASSESSMENT OF PUBLIC SERVICE COMPANIES FOR THE YEARS 1995 AND 1996

Class of Company	Value of all Taxable Property Including Rolling Stock 1995	1996	Increase or (Decrease)
Electric Light & Power Corporations	$13,698,169,230.00	$14,027,424,938.00	$329,255,708.00
Gas Corporations	1,011,084,465.00	1,068,938,987.00	57,854,522.00
Motor Vehicle Carriers (Rolling Stock only)	106,649,522.90	34,406,743.00	(72,242,779.90)
Telecommunications Companies	6,525,063,787.00	6,590,138,842.00	65,075,055.00
Water Corporations	98,722,163.00	98,874,719.00	152,556.00
TOTAL	$21,439,689,167.90	$21,819,784,229.00	$380,095,061.10

COMPARISON OF ASSESSMENT OF STATE TAXES OF PUBLIC SERVICE COMPANIES FOR THE YEARS 1995 AND 1996

Class of Company	The Yearly License Tax 1995	1996	Increase or (Decrease)
Electric Light & Power Corporations	$89,804,435.85	$93,931,841.13	$4,127,405.28
Gas Corporations	14,060,840.34	13,248,286.00	(812,554.34)
Water Corporations	716,745.11	744,419.48	27,674.37
TOTAL	$104,582,021.30	$107,924,546.61	$ 3,342,525.31

COMPARISON OF ASSESSMENT OF ADDITIONAL ANNUAL STATE TAX FOR VALUATION AND RATE MAKING OF CERTAIN CLASSES OF UTILITY COMPANIES FOR THE YEARS 1995 AND 1996

Class of Company	1995	1996	Increase or (Decrease)
Electric Light & Power Corporations	$5,245,792.73	$5,387,841.95	$142,049.22
Gas Corporations	703,042.03	664,194.29	(38,847.74)
Motor Vehicle Carriers	49,796.33	20,574.99	(29,221.34)
Railroad Companies	581,920.72	434,534.33	(147,386.39)
Telecommunications Companies	2,709,022.17	2,867,317.04	158,294.87
Virginia Pilots Association	10,178.40	11,885.54	1,707.14
Water Corporations	35,837.32	37,270.46	1,433.14
TOTAL	$9,335,589.70	$9,423,618.60	$88,028.90

Railroad Companies assessed at five-hundredths of one percent and all other companies at one-tenth of one percent.

COMPARATIVE STATEMENT OF ASSESSED VALUES OF PROPERTIES OF PUBLIC SERVICE CORPORATIONS AS ASSESSED BY THE STATE CORPORATION COMMISSION

Cities	1995	1996	Increase or Decrease
Alexandria	$460,739,425	$477,447,995	$16,708,570
Bedford	8,472,324	8,061,112	(411,212)
Bristol	10,510,394	10,421,517	(88,877)
Buena Vista	8,557,505	8,123,354	(434,151)
Charlottesville	93,855,863	97,066,178	3,210,315
Chesapeake	626,934,771	625,996,134	(938,637)
Clifton Forge	7,962,970	6,650,826	(1,312,144)

Colonial Heights	24,368,657	24,649,515	280,858
Covington	18,346,521	16,163,282	(2,183,239)
Danville	40,766,655	37,555,167	(3,211,488)
Emporia	15,313,890	16,023,965	710,075
Fairfax	82,037,866	96,837,053	14,799,187
Falls Church	17,279,702	18,126,670	846,968
Franklin	8,586,523	8,342,390	(244,133)
Fredericksburg	52,058,092	53,278,649	1,220,557
Galax	10,557,995	12,875,645	2,317,650
Hampton	220,852,952	220,729,574	(123,378)
Harrisonburg	35,190,819	34,151,685	(1,039,134)
Hopewell	64,081,882	61,483,810	(2,598,072)
Lexington	12,743,916	12,254,199	(489,717)
Lynchburg	146,924,852	134,958,489	(11,966,363)
Manassas	51,022,362	48,484,506	(2,537,856)
Manassas Park	9,483,733	11,225,971	1,742,238
Martinsville	25,605,773	22,688,603	(2,917,170)
Newport News	289,560,554	302,956,476	13,395,922
Norfolk	456,582,875	444,896,996	(11,685,879)
Norton	25,211,081	25,257,786	46,705
Petersburg	81,636,505	80,670,665	(965,840)
Poquoson	10,941,652	11,059,900	118,248
Portsmouth	150,894,808	152,972,551	2,077,743
Radford	13,637,449	14,419,290	781,841
Richmond	622,865,982	602,602,220	(20,263,762)
Roanoke	203,823,679	196,394,373	(7,429,306)
Salem	24,098,450	22,713,761	(1,384,689)
Staunton	48,756,617	46,101,295	(2,655,322)
Suffolk	119,014,912	122,191,490	3,176,578
Virginia Beach	625,924,879	618,426,239	(7,498,640)
Waynesboro	34,906,264	34,435,060	(471,204)
Williamsburg	35,497,021	34,775,335	(721,686)
Winchester	43,368,777	42,224,513	(1,144,264)
Total Cities	$4,838,976,947	$4,815,694,239	$(23,282,708)

COMPARATIVE STATEMENT OF ASSESSED VALUES OF PROPERTIES OF PUBLIC SERVICE CORPORATIONS AS ASSESSED BY THE STATE CORPORATION COMMISSION

Counties	1995	1996	Increase or Decrease
Accomack	$70,497,912	$67,778,895	$(2,719,017)
Albemarle	176,827,239	173,937,535	(2,889,704)
Alleghany	36,955,503	35,546,749	(1,408,754)
Amelia	19,724,212	19,767,742	43,530
Amherst	50,872,382	59,915,448	9,043,066
Appomattox	20,118,972	28,067,319	7,948,347
Arlington	777,987,123	776,571,239	(1,415,884)
Augusta	145,979,231	148,109,742	2,130,511
Bath	1,422,026,074	1,431,429,096	9,403,022
Bedford	148,234,770	145,806,006	(2,428,764)
Bland	11,691,574	15,144,766	3,453,192
Botetourt	91,833,346	89,623,760	(2,209,586)
Brunswick	35,007,482	36,190,669	1,183,187
Buchanan	54,441,987	55,940,265	1,498,278
Buckingham	33,547,690	33,919,674	371,984
Campbell	104,294,272	103,996,684	(297,588)
Caroline	80,030,010	81,682,624	1,652,614
Carroll	51,255,996	52,216,977	960,981
Charles City	26,610,380	25,406,712	(1,203,668)
Charlotte	23,891,446	25,434,266	1,542,820
Chesterfield	1,129,887,021	1,115,728,518	(14,158,503)
Clarke	25,267,485	25,596,126	328,641
Craig	11,326,343	10,761,141	(565,202)
Culpeper	77,445,830	80,864,330	3,418,500
Cumberland	22,049,871	22,588,238	538,367
Dickenson	34,945,433	33,294,819	(1,650,614)

Dinwiddie	59,200,474	58,833,616	(366,858)
Essex	23,318,838	24,394,861	1,076,023
Fairfax	1,912,139,560	2,033,742,341	121,602,781
Fauquier	142,078,123	134,755,599	(7,322,524)
Floyd	32,161,854	31,220,603	(941,251)
Fluvanna	118,976,161	111,159,684	(7,816,477)
Franklin	95,046,515	94,169,410	(877,105)
Frederick	162,062,748	160,160,099	(1,902,649)
Giles	108,084,970	107,931,925	(153,045)
Glouchester	69,406,873	67,011,324	(2,395,549)
Goochland	45,322,085	44,637,589	(684,496)
Grayson	25,610,605	29,094,494	3,483,889
Greene	17,914,476	16,908,694	(1,005,782)
Greensville	18,281,068	20,882,886	2,601,818
Halifax	463,534,270	681,684,128	218,149,858
Hanover	214,905,830	224,823,569	9,917,739
Henrico	640,004,664	635,642,468	(4,362,196)
Henry	96,420,373	94,440,221	(1,980,152)
Highland	15,948,969	16,210,500	261,531
Isle of Wight	80,313,516	76,100,207	(4,213,309)
James City	114,701,978	116,953,105	2,251,127
King George	35,936,592	38,711,762	2,775,170
King and Queen	14,970,629	19,571,009	4,600,380
King William	26,818,893	26,795,930	(22,963)
Lancaster	31,764,913	33,590,013	1,825,100
Lee	49,069,053	45,978,317	(3,090,736)
Loudoun	309,574,185	330,215,149	20,640,964
Louisa	1,946,366,724	1,936,122,806	(10,243,918)
Lunenburg	20,820,093	23,448,118	2,628,025
Madison	22,055,556	28,391,138	6,335,582
Mathews	17,995,483	19,629,458	1,633,975
Mecklenburg	75,355,430	73,164,802	(2,190,628)
Middlesex	32,718,760	31,526,808	(1,191,952)
Montgomery	96,924,341	91,233,093	(5,691,248)
Nelson	38,512,320	40,443,039	1,930,719
New Kent	37,084,088	48,124,139	11,040,051
Northampton	31,724,024	32,019,569	295,545
Northumberland	27,732,804	25,116,008	(2,616,796)
Nottoway	28,762,649	27,748,823	(1,013,826)
Orange	58,398,755	62,096,056	3,697,301
Page	44,238,888	45,565,705	1,326,817
Patrick	30,377,091	30,080,911	(296,180)
Pittsylvania	122,364,702	112,755,807	(9,608,895)
Powhatan	47,405,194	46,080,172	(1,325,022)
Prince Edward	30,296,355	28,717,399	(1,578,956)
Prince George	41,110,546	37,969,788	(3,140,758)
Prince William	795,956,983	784,485,240	(11,471,743)
Pulaski	74,569,687	71,088,905	(3,480,782)
Rappahannock	18,524,413	19,497,354	972,941
Richmond	33,109,796	36,333,446	$3,223,650
Roanoke	149,554,910	148,086,781	(1,468,129)
Rockbridge	58,147,041	76,441,001	18,293,960
Rockingham	128,855,887	114,347,551	(14,508,336)
Russell	194,394,585	185,701,202	(8,693,383)
Scott	33,988,157	35,568,448	1,580,291
Shenandoah	76,853,718	88,113,615	11,259,897
Smyth	63,804,369	62,129,035	(1,675,334)
Southampton	34,182,721	37,015,572	2,832,851
Spotsylvania	165,091,089	174,831,984	9,740,895
Stafford	139,937,299	146,893,887	6,956,588
Surry	1,354,456,192	1,461,903,402	107,447,210
Sussex	31,854,032	32,034,048	180,016
Tazewell	65,834,440	63,942,237	(1,892,203)
Warren	43,983,847	42,942,798	(1,041,049)
Washington	65,908,627	66,222,270	313,643
Westmoreland	37,305,033	40,903,527	3,598,494
Wise	59,096,331	59,507,244	410,913

Wythe	63,865,444	69.016.665	5,151,221
York	448,226,495	441,504,553	(6,721,942)
Total Counties	$16,494,062,698	$16,969,683,247	$475,620,549
Total Cities & Counties	$21,333,039,645	$21,785,377,486	$452,337,841

City of South Boston reverted to town status July 1, 1995. For the purposes of this study South Boston value was included in Halifax County for 1995 as well as 1996.

COMPARISON OF FEES COLLECTED BY THE DIVISION OF SECURITIES AND RETAIL FRANCHISING FOR THE YEARS ENDING DECEMBER 31, 1995, AND DECEMBER 31, 1996

Kind	1995	1996	Increase or (Decrease)
Securities Act	$5,054,727	$5,593,100	$538,373
Retail Franchising Act	276,000	304,200	28,200
Trademarks-Service Marks	19,380	24,210	4,830
Fines	325,895	398,932	73,037
TOTAL	$5,676,002	$6,320,442	$644,440

PROCEEDINGS BY DIVISIONS DURING THE YEAR 1996

DIVISION OF PUBLIC UTILITY ACCOUNTING

The following statistical data summarizes Rate Cases, Certificate Cases, Annual Informational Filings, Allocation/Separations Studies, Fuel Audits, Compliance Audits and Special Studies made by the Division of Public Utility Accounting for the year 1996.

General Rate Cases	
Electric Companies (Investor Owned)	0
Electric Cooperatives	1
Gas Companies	3
Telephone Companies	1
Water and Sewer Companies	5
Miscellaneous	0
Total General Rate Cases	10
Expedited Rate Cases	
Electric Companies (Investor Owned)	0
Electric Cooperatives	0
Gas Companies	3
Telephone Companies	0
Water and Sewer Companies	0
Miscellaneous	0
Total Expedited Rate Cases	3
Certificate Cases	
Electric Companies (Investor Owned)	2
Gas Companies	1
Water and Sewer Companies	10
Total Certificate Cases	13
Annual Informational Filings	
Report Only	
Electric Companies (Investor Owned)	3
Gas Companies	7
Telephone Companies	8
Water and Sewer Companies	0
Rate Decrease	
Electric Companies (Investor Owned)	1
Total Annual Informational Filings	19
Allocation/Separations Studies	
Telephone Companies	8
Fuel Audits-Electric Companies	2
Compliance Audits	6
Special Studies	13

During the year 1996, the Division of Public Utility Accounting received applications filed under the Public Utilities Affiliates Law and the Utility Transfers Act pertaining to public utilities for processing, analysis, and study. The number and type of written reports submitted to the Commission recommending action and orders drawn are as follows:

Number of Utility Transfer Act Cases	
Transfer of Assets	9
Transfer of Securities or Control	5
Number of Affiliates Act Cases	
Service Agreements	28
Lease Agreements	4
Gas Purchases/ Supply	3
Advances of Funds	4
Aircraft Agreements	0
Mergers	0
Ownership Transfers	0
Tax Allocation Agreements	0

Directory Publishing Agreements	2
Rule to Show Cause	0
Total Number of Cases	55

The Commission's Division of Public Utility Accounting consisted of the following personnel on December 31, 1996:

Filled	Vacant	Description
1		Director
2		Deputy Director
1		Manager of Audits
1		Administrative Manager, Public Utilities
1		Administrative Manager
1		Systems Manager
1		Senior Office Secretary
1		Senior Office Technician
4		Principal Public Utility Accountant
2		Senior Public Utility Accountant
3	2	Public Utility Accountant
5	—	Associate Public Utility Accountant
23	2	Total Authorized 25

DIVISION OF COMMUNICATIONS

The Division of Communications assists the Commission in carrying out its duties as prescribed by the Code of Virginia. The Division monitors, enforces, and makes recommendations on certain rates, tariffs, and operating procedures of telecommunications utilities. The Division enforces service standards, assures compliance with tariff regulations, coordinates extended area service studies, enforces pay telephone regulations, and prescribes depreciation rates. The staff testifies in rate, service, and generic hearings and meets with the general public on communications issues and problems. The Division maintains territorial maps, performs special studies, monitors construction programs, and investigates and resolves consumer inquiries and complaints. The staff also follows developments at the federal level, and prepares Commission responses where appropriate.

SUMMARY OF 1996 ACTIVITIES

Consumer complaints and protests investigated	4,772
Telephone inquiries received	5,200
Tariff revisions received	249
Tariff sheets filed	3,508
Cases in which staff members prepared testimony or reports	55
Certificates of Convenience and Necessity granted or amended:	
Interexchange Carriers	11
Competitive Local Exchange Carriers	15
Interconnection Negotiated Agreements Approved	2
Interconnection Arbitrations Conducted	10
Depreciation studies completed	1
Extended Area Services studies completed or underway	34
Service Surveillance and Results Analysis Provided Monthly on:	
Access Lines	4,186,899
Switching Offices	431
Business Offices	24
Repair Centers	8
Pay Telephone Registration and Rules Enforcement provided on:	
Registered private pay telephone providers	574
Private pay telephones	11,835
LEC pay telephones	ALL
Pay telephone audits	264
Visits to:	
Customer premises to resolve customer complaints	29
Company premises to resolve customer complaints	14
Company premises to review service performance	58
Company premises to inspect network reliability	19
Construction Program reviews	2

OTHER:

Assisted Commission in promulgating procedural rules for implementing the Telecommunications Act of 1996; performed substantial review and analysis associated with evaluating this Act and related FCC Docket 96-98 impact on Virginia.

Pursued various activities related to the Commission's alternative plans for regulating telephone companies, including the following:
- Provided cost allocation technical support for six Annual Informational Filing audit reports
- Evaluated filings for six additions to existing competitive services
- Coordinated customer refund due to overearnings for one company
- Reviewed proposed service classifications for new services, and reclassifications for existing services
- Evaluated Individual Case Basis (ICB) and Special Assembly price filings
- Assisted in gathering monitoring data

Assisted Commission counsel with respect to formal rate, service, or generic matters.

Participated in matters affecting communications policy with federal agencies.

Assisted with reports to the legislature and with developing telecommunications legislation.

Made presentations to trade and citizens groups, associations, and telephone companies.

Participated in matters affecting emergency 911 communications procedures with local government agencies and Virginia Telephone Industry Association.

Provided guidance to Virginia Payphone Association in its organization.

Assisted private pay telephone providers in resolving operations issues with local exchange companies.

Furnished annual verification information to the Federal Communications Commission to recertify eligibility for the Virginia Universal Service Plan, which provides assistance for low income telephone customers.

Responded to questionnaires from NARUC and others with respect to telecommunications matters.

Reviewed construction budgets of major telephone companies for 1996-1998 period.

Met with local governing bodies and citizens groups with respect to local calling areas and service problems.

Worked with Va. Department for the Deaf and Hard of Hearing on monitoring of Telecommunications Relay Service in Virginia and preparation of a request for proposal for new contract.

Participated with JLARC on studying inmate telephone service.

Director reappointed to the NARUC Staff subcommittee on Communications.

Staff member reappointed to the NARUC Staff subcommittee on Depreciation.

Staff member reappointed to the NARUC Staff subcommittee on Communications.

Staff member reappointed to the NARUC Staff subcommittee on Service Quality.

DIVISION OF ECONOMICS AND FINANCE

The division of Economics and Finance performs analysis and research on economic and financial issues pertaining to utility regulation. The Division also provides analytical and research support as needed by non-utility divisions within the Commission.

The Division has ongoing responsibility for:
- issuing monthly Fuel Price Index reports;
- maintaining and issuing monthly reports for the electric utility Fuel Monitoring System;
- issuing quarterly Natural Gas Price Index reports;
- analyzing and presenting testimony on capital structure, cost of capital, and other finance-related issues in utility rate cases;
- analyzing and presenting testimony on interest expense, appropriate earnings level and other finance related issues in electric cooperative rate cases;
- monitoring the financial condition of Virginia utilities;
- monitoring the diversification activities of holding companies with utility subsidiaries operating in Virginia;
- reviewing annual financing plans of Virginia utilities;
- analyzing utility applications for the issuance of securities and providing the Commission with recommendations;
- conducting studies of intermediate/long range issues in electric, gas, and telecommunications utility regulations;
- acquiring and running analytic computer models used to simulate, project, and/or evaluate utility operations and regulatory issues;
- issuing quarterly economic and energy forecast reports;
- monitoring inter-LATA and intra-LATA telecommunications competition;
- monitoring the incumbent local exchange companies participating in the Alternative Regulatory Plans;
- monitoring competitive local exchange carriers;
- monitoring and maintaining files of electric utilities' Ten Year and Twenty Year Forecasts;
- monitoring and maintaining files of gas utilities' Five Year Forecasts;

- providing statistical and graphic support for other SCC Divisions; and
- maintaining database management systems for preparation of economic and financial analysis in utility cases.

SUMMARY OF MAJOR ACTIVITIES DURING 1996

- Presented testimony on capital structure, cost of capital and other financial issues in six investor-owned utility rate cases.
- Presented testimony on interest expense and appropriate earnings level for one electric cooperative rate case.
- Completed seven Annual Information Filing reports for telephone companies.
- Completed eleven Annual Information Filing reports for electric, gas and water utilities.
- Analyzed and processed 25 applications for utilities seeking authority to issue securities.
- Prepared a report or testimony in filings for Commission action regarding twelve electric and five gas demand-side management programs.
- Prepared a report or testimony in four electric fuel factor proceedings.
- Prepared a report or testimony in three cogeneration rate proceedings.
- Reviewed and summarized the 1996 Ten Year Forecasts for each of the five investor-owned electric utilities in Virginia.
- Reviewed and summarized the 1995 Five Year Forecasts for each of the seven gas utilities in Virginia.
- Prepared and presented testimony regarding Virginia Power's request for a certificate of public convenience and necessity to construct a dispersed energy facility at Chesapeake Paper Products Corporation.
- Continued monitoring the status of eight electric and two gas demand-side programs implemented as experimental pilot programs.
- Prepared text, graphs, and statistics in the Staff Report on the Restructuring of the Electric Industry.
- Prepared and presented testimony regarding Virginia Power's request to acquire a cogeneration facility under contract.
- Prepared reports regarding proposed alterations to various electric utility rate schedules.
- Prepared and presented a report regarding AEP's request to amend its pumped storage facility.
- Presented testimony on the appropriate use of elasticities in one telephone company rate case.
- Prepared reports on the financial condition of fifteen companies which applied for and received certification as competitive local exchange carriers in Virginia.
- Developed a forecast of budget items for the Bureau of Insurance.
- Developed a forecast of the Virginia Telecommunications relay service bank balance for the Office of Commission Comptroller.
- Developed a forecast of the Clerk's office special fund collection for the Office of Commission Comptroller.

DIVISION OF ENERGY REGULATION

Activities for Calendar Year 1996

The Division of Energy Regulation assists the Commission in fulfilling its statutory responsibilities pursuant to Title 56, Chapter 10 of the Code of Virginia. Activities include reviewing investor owned electric, gas, water/sewer utilities' cost of service studies; reviewing allocation methods, depreciation rates and rate design philosophies; and providing expert testimony in that regard. The Division also provides expert testimony in certificate cases for service areas and major facility construction for these utilities and for independent power producers. Additional duties include the preparation and defense of prefiled testimony as it relates to electric cooperatives and other technical functions related to regulation of the cooperatives. It also has monitoring responsibilities relative to: the collection of gas costs by gas utilities; the incurrence of wholesale purchased power expenses by electric cooperatives; and the recovery of fuel expenses and the construction and operation of major facilities by the investor-owned utilities. It also reviews extraordinary costs and policies related to nuclear power, including the decommissioning of nuclear power plants and the storage of spent nuclear fuel. The Division administers pipeline safety programs for interstate jurisdictional gas and hazardous liquid companies in Virginia, including inspections of facilities, records and construction activities to determine compliance with pipeline safety regulations. It administers the enforcement of the new Underground Utility Damage Prevention Act; investigates all reports of violation of the Act; and makes enforcement recommendations to the Commission. The resolution of complaints/inquiries received against regulated utilities and the maintenance of official records/maps of utility certificated areas are also duties of the Division. It provides the Commission with technical expertise in policy related issues and has provided testimony in several hearings required by the Public Utility Regulatory Policies Act and in other proceedings associated with restructuring of natural gas and electric utilities.

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Consumer Complaints, Letters of Protest, and Inquiries Received	2132
Tariff Filings Received	162
Tariff Sheets Filed	802
Gas Safety Pipeline Inspections (Person Days)	435
Testimony and Reports Filed by Staff	43
Certificates of Convenience and Necessity Granted, Transferred or Revised	18
Special Reports	7
Gas Accident Investigations and Incident Reports	6
Electric On-Site Construction Inspections	0
Underground Utility Damage Reports Investigated	577

BUREAU OF FINANCIAL INSTITUTIONS

The Bureau of Financial Institutions is responsible under Title 6.1 of the Code of Virginia for the regulation and supervision of the following types of institutions: state chartered banks, independent trust companies, state chartered savings institutions, state chartered credit unions, state chartered industrial loan associations, consumer finance licensees, money order seller licensees, mortgage lenders and brokers, and debt counseling agencies. With the exception of money order seller licensees, debt counseling agencies, and mortgage lender and brokers, each institution is examined at least twice every

three years. Financial institutions domiciled outside of Virginia that have deposit taking subsidiaries within the Commonwealth are also subject to the Bureau's regulatory authority, as are out-of-state deposit taking subsidiaries of financial holding companies domiciled in Virginia.

During the calendar year, the Bureau of Financial Institutions received, investigated, and processed 1,046 applications for various certificates of authority as shown below:

APPLICATIONS RECEIVED AND/OR ACTED UPON
BY THE BUREAU OF FINANCIAL INSTITUTIONS IN 1996

New Banks	3
Conversions from national to state charter banks	1
Conversion from a Federal Savings Institution to a State Bank	1
Interim Banks	4
Bank Branches	95
Bank Branch Office Relocations	14
Bank EFT Facilities	76
Bank Mergers	8
Mergers Pursuant to the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994	2
Acquisitions Pursuant to Chapter 13 of Title 6.1	15
Acquisitions Pursuant to Chapter 14 of Title 6.1	1
Acquisitions Pursuant to Chapter 15 of Title 6.1	4
Savings Institution Branches	1
Acquisitions Pursuant to The Savings Institutions Act	3
Out-of-State Credit Union	1
Credit Union Mergers	1
Credit Union Service Facilities	7
Consumer Finance Offices	20
Consumer Finance Other Businesses	62
Consumer Finance Office Relocations	24
New Mortgage Brokers	137
New Mortgage Lenders	73
New Mortgage Lenders and Brokers	52
Acquisitions Pursuant to § 6.1-416.1 of the Virginia Code	18
Mortgage Branches	210
Mortgage Office Relocations	192
New Money Order Sellers	2
Debt Counseling Agency Offices	4
Debt Counseling Additional Offices	6
Debt Counseling Office Relocations	4
New Check Cashers	5

At the end of 1996 there were under the supervision of the Bureau 121 banks with 1,283 branches, 54 Virginia bank holding companies, 7 non-Virginia bank holding companies owning Virginia banks, 2 independent trust companies, 3 savings institutions with 4 branches, 1 savings bank with 3 branches, 81 credit unions, 8 industrial loan associations, 35 consumer finance companies with 344 Virginia offices, 22 money order sellers, 10 non-profit debt counseling agencies, 29 check cashers, 81 mortgage lenders with 447 offices, 360 mortgage brokers with 491 offices, and 172 mortgage lender and brokers with 550 offices.

DIVISION OF INSURANCE REGULATION
ACTIVITIES FOR THE FISCAL YEAR ENDING JUNE 30, 1996

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 1996 ACTIVITIES

New insurance companies licensed to do business in Virginia	49
Insurance company financial statements analyzed	5,907
Financial examinations of insurance companies conducted	37
Property and Casualty insurance rules, rates, and form submissions	5,436
Life and Health insurance policy forms and rate submissions	6,186
Property and Casualty insurance complaints received	4,165
Life and Health insurance complaints received	3,711
Market conduct examinations completed by the Life and Health Division	9
Market conduct examinations completed by the Property and Casualty Division	8
Insurance agents and agencies licensed	76,049
Tax and Assessment Audits	6,100

RAILROAD REGULATION

The Division of Railroad Regulation investigates, at its own volition or upon complaint, rail service and compliance with rules and regulations by rail common carriers when intrastate aspects are involved; and conducts inspection and surveillance of rail tracks in State to provide for safe track maintenance in accordance with Federal Track Safety Standards as prescribed by the Federal Railroad Administration.

DIVISION OF SECURITIES AND RETAIL FRANCHISING

The Division of Securities and Retail Franchising of the State Corporation Commission is charged with the administration of the following laws:

Virginia Securities Act (known as the "Blue Sky Law"), Virginia Code Sections 13.1-501 through 13.1-527.3.
Virginia Trademark and Service Mark Act, Virginia Code Sections 59.1-77 through 59.1-102.
Virginia Retail Franchising Act, Virginia Code Sections 13.1-557 through 13.1-574.

UNDER THE VIRGINIA SECURITIES ACT:

17	qualification applications received
1,067	coordination applications received
52	notification applications received
695	filings for exemption from registration (Reg. D)
1,995	broker-dealer registrations renewed and granted
64	broker-dealer registrations denied, withdrawn, and terminated
104,257	agent registrations renewed and granted
21,658	agent registrations denied, withdrawn, and terminated
1,755	investment advisor registrations renewed and granted
50	investment advisor registrations denied, withdrawn, and terminated
17,509	investment advisor representative registrations renewed and granted
1,280	investment advisor representative registrations denied, withdrawn and terminated
65	orders filing and/or canceling surety bonds
19	orders granting exemptions and/or official interpretations
8	orders for subpoena of records by banks, corporations, and individuals
4	orders of show cause
65	judgments of compromise and settlement
12	final order and/or judgment

UNDER THE VIRGINIA TRADEMARK AND SERVICE MARK ACT:

700	applications for trademarks and/or service marks approved, renewed, or assigned
366	applications for trademarks and/or service marks denied, abandoned, expired, or withdrawn

UNDER THE VIRGINIA RETAIL FRANCHISING ACT:

1,106	franchise registration, renewal, or post-effective amendment applications received
247	franchises denied, withdrawn, non-renewed, or terminated

UNIFORM COMMERCIAL CODE

The Clerk's Office is the Central Filing Office in the Commonwealth under Part 4 of the Uniform Commercial Code. It is charged with the duty of receiving, processing, indexing, and examining financing statements, continuation statements, amendments, assignments, releases and termination statements filed by nationwide financial and lending institutions, state and federal agencies, legal professions, and the general public to perfect a security interest in collateral which secures payment or performance of an obligation. The Clerk's Office also is the Central Filing Office for Federal Tax Liens.

SUMMARY OF CALENDAR YEAR ACTIVITIES

	1995	1996
Financing/Subsequent Statements Filed	75,235	79,855
Federal Tax Liens/Subsequent Liens Filed	4,338	4,300
Reels of Microfilmed documents sold	297	360

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NOTE: Effective February 27,1995, the Bureau of Financial Institutions placed into operation the Financial Institutions Information System. All applications received on or after this date, which were acted upon under authority delegated to the Commissioner of Financial Institutions rather than through a hearing before the Commission, are denoted by a BAN prefix. BAN is an acronym for Bureau Application Number.

BAN19960001 Advanta Finance Corp.
To open a mortgage lender's office at 420 N. Center Drive, Suite 226, Norfolk, VA

BAN19960002 Princess Anne Bank
To relocate office from 2251 West Great Neck Road, Virginia Beach, VA to 3001 Shore Drive, Virginia Beach, VA

BAN19960003 United States Mortgage Corporation of Delaware, Inc.
To open a mortgage broker's office at 7700 Little River Turnpike, Suite 100, Annandale, VA

BAN19960004 United States Mortgage Corporation of Delaware, Inc.
To open a mortgage broker's office at 400 N. Washington Street, Alexandria, VA

BAN19960005 United States Mortgage Corporation of Delaware, Inc.
To open a mortgage broker's office at 6231 Leesburg Pike, Suite 100, Falls Church, VA

BAN19960006 United States Mortgage Corporation of Delaware, Inc.
To open a mortgage broker's office at 105 Judicial Drive, Suite 300, Fairfax, VA

BAN19960007 United States Mortgage Corporation of Delaware, Inc.
To open a mortgage broker's office at 720 Thimble Shoals Blvd., Suite 111, Newport News, VA

BAN19960008 Mortgage Investment Corporation
To relocate a mortgage lender broker's office from 1403 Pemberton Road, Suite 302, Richmond, VA to 1311 Jamestown Road, Suite 101, Williamsburg, VA

BAN19960009 American Mortgage Lending Corporation
For a mortgage lender's license

BAN19960010 GMAC Mortgage Corporation of PA
To open a mortgage lender and broker's office at 800 Corporate Drive, Suite 424, Ft. Lauderdale, FL

BAN19960011 Columbia National Incorporated
To open a mortgage lender and broker's office at The Crestar Bank Building, 11817 Canon Blvd., Suite 104, Newport News, VA

BAN19960012 Matthews, Daniel P. and Robin L. t/a Paly Financial Services
For a mortgage broker's license

BAN19960013 1st Potomac Mortgage Corporation
To open a mortgage lender and broker's office at 12150 East Monument Drive, Suite 101, Fairfax, VA

BAN19960014 Mortgageworks Incorporated
For a mortgage broker's license

BAN19960015 Emergent Mortgage Corp.
To open a mortgage lender's office

BAN19960016 Security Pacific Financial Services, Inc.
To relocate consumer finance office from 812 Moorefield Park Drive, Suite 124, Chesterfield County, VA to 11023 Hull Street, Midlothian, VA

BAN19960017 Security Pacific Financial Services, Inc.
To relocate consumer finance office from 2217 South Main Street, Harrisonburg, VA to 2035-63 East Market Street, Harrisonburg, VA

BAN19960018 NVR Mortgage Finance, Inc.
For a mortgage lender's license

BAN19960019 Jolly, Lamar M. d/b/a Express Cash
To open a check casher at 104 Jesse Street, Yorktown, VA

BAN19960020 Transouth Mortgage Corporation
To relocate a mortgage lender's office from 105 Decker Drive, Irving, TX to 300 Decker Drive, Irving, TX

BAN19960021 Associates Financial Services of America, Inc.
To relocate a mortgage lender's office from 105 Decker Drive, Irving, TX to 300 Decker Drive, Irving, TX

BAN19960022 Ford Consumer Finance Company, Inc.
To relocate a mortgage lender broker's office from 105 Decker Drive, Irving, TX to 300 Decker Drive, Irving, TX

BAN19960023 Security Funding & Leasing Corp.
To open a mortgage lender's office

BAN19960024 Fieldstone Mortgage Company
For a mortgage lender's license

BAN19960025 MCA Mortgage Corporation
For a mortgage lender's license

BAN19960026 American Bankers Mortgage Corporation
To relocate a mortgage broker's office from 1700 Rockville Pike, Suite 400, Rockville, MD to 6701 Democracy Boulevard, Suite 300, Bethesda, MD

BAN19960027 Acquisition Services, Inc.
To open a mortgage broker's office at 4435 Waterfront Drive, Suite 203, Glen Allen, VA

BAN19960028 Bank of Fincastle, The
To open a branch at 4370 Cloverdale Road, Botetourt County, VA

BAN19960029 Bank of Fincastle, The
To open a branch at 860 Roanoke Road, Daleville, VA

BAN19960030 Paramount Mortgage Corporation
For a mortgage broker's license

BAN19960031 Bank of Southside Virginia, The
To establish an EFT at 3140 South Crater Road, Petersburg, VA

BAN19960032 James River Mortgage Corp.
For a mortgage broker's license
BAN19960033 Infinity Funding Group, Inc.
To relocate a mortgage broker's office from 5311 W. Broad Street, Richmond, VA to 5411 Patterson Avenue, Suite 200, Richmond, VA
BAN19960034 City Federal Funding & Mortgage Corp.
To open a mortgage lender and broker's office at 7611 Little River Turnpike, Ste. 105, Annandale, VA
BAN19960035 Leader Mortgage Company, The
For a mortgage lender's license
BAN19960036 Hayes, Robert E.
To relocate a mortgage broker's office from 11843-C Canon Blvd., Newport News, VA to 11843-B Canon Blvd., Newport News, VA
BAN19960037 Mortgage Servicing Acquisition Corporation
To acquire 100 percent of B First Residential Corporation
BAN19960038 Mortgage Servicing Acquisition Corporation
To acquire 100 percent of B First Mortgage Company, Limited Partnership
BAN19960039 Dream House Mortgage Corporation
To relocate a mortgage lender broker's office from 990 Mineral Spring Avenue, North Providence, RI to 385 South Main Street, 2nd Floor, Providence, RI
BAN19960040 Center for Child & Family Services, Inc. d/b/a Consumer Credit Counseling Service of Hampton Roads
To open an additional debt counseling office at 12750 Jefferson Avenue, Newport News, VA
BAN19960041 Acquisition Services, Inc.
To open a mortgage broker's office at 6160 Kempsville Circle, Suite 221-B, Norfolk, VA
BAN19960042 Millennium Mortgage Corporation
To open a mortgage broker's office at 1904 Byrd Avenue, Suite 107, Richmond, VA
BAN19960043 First Savings Bank of Virginia
To relocate a savings institution main office from 6564 Loisdale Court, Suite 100, Springfield, VA to 6551 Loisdale Court, Suite 150, Springfield, VA
BAN19960044 HomeAmerican Credit, Inc. d/b/a Upland Mortgage
To open a mortgage lender's office
BAN19960045 Landmark Mortgage, Inc.
For a mortgage broker's license
BAN19960046 Johnson Mortgage Company
To open a mortgage lender and broker's office at 10688C Crestwood Drive, Manassas, VA
BAN19960047 American Finance & Investment, Inc.
For a mortgage lender's license
BAN19960048 University of Virginia Employees Credit Union, Inc.
To open a credit union service office at 1709 Seminole Trail, Charlottesville, VA
BAN19960049 Crestar Bank
To establish an EFT at 7900 Westpark Drive, McLean, VA
BAN19960050 HFS Associates, Inc.
For a mortgage broker's license
BAN19960051 Alpha Mortgage Consultants, Ltd.
For a mortgage broker's license
BAN19960052 Sterling Mortgage Corporation
To relocate a mortgage lender broker's office from 3330 Bourbon Street, Fredericksburg, VA to 910 Littlepage Street, Suite A, Fredericksburg, VA
BAN19960053 Signet Bank
To merge into it Signet Bank, N.A.
BAN19960054 Primerica Financial Services Home Mortgages, Inc.
To relocate a mortgage lender broker's office from 11843-C Canon Boulevard, Newport News, VA to 11843-B Canon Boulevard, Newport News, VA
BAN19960055 GMAC Mortgage Corporation of PA
To open a mortgage lender and broker's office at 521 Fellowship Road, Suite 150, Mt. Laurel, NJ
BAN19960056 American Bankers Mortgage Corporation
To open a mortgage broker's office at 8300 Boone Boulevard, Suite 500, Vienna, VA
BAN19960057 First Bank
To establish an EFT at 294 Front Royal Road, Strasburg, VA
BAN19960058 Residential Mortgage Funding Corporation
For a mortgage broker's license
BAN19960059 First Virginia Bank - Southwest
To relocate office from 223 East Main Street, Salem, VA to 231 South College Avenue, Salem, VA
BAN19960060 Rodgers, John T.
To acquire 100 percent of American Finance & Investment, Inc.
BAN19960061 F & M National Corporation
To acquire FB&T Financial Corporation, Fairfax, VA
BAN19960062 Finance One, Inc.
To open a consumer finance office
BAN19960063 Edmunds Financial Corporation d/b/a Service First Mortgage
For a mortgage lender's license
BAN19960064 Citizens Bank of Maryland
To merge into it Citizens Bank of Virginia

BAN19960065 Abbot Mortgage Service, Inc.
To relocate a mortgage lender broker's office from 8000 Westpark Dr., 2nd Floor, McLean, VA to 1320 Old Chain Bridge Road, Ste. 450, McLean, VA
BAN19960066 Aegis Mortgage Corporation
To open a mortgage lender's office
BAN19960067 First Town Mortgage Corporation
To relocate a mortgage lender's office from 8903 Presidential Plaza I, Suite 200, Upper Marlboro, MD to 1301 York Road, Suite 505, Lutherville, MD
BAN19960068 Canusa Mortgage Corporation
For a mortgage lender's license
BAN19960069 MBS Services, Inc.
For a mortgage lender's license
BAN19960070 Shumway, Scot D. d/b/a Provident Funding Group
To relocate a mortgage broker's office from 1555 Wilson Blvd., Suite 300, Arlington, VA to 216 Bristol Downs Drive, Gaithersburg, MD
BAN19960071 Business Advisory Systems, Inc.
For a mortgage lender's license
BAN19960072 First-Citizens Bank & Trust Company
To open a branch at 1322 South Main Street, Blacksburg, VA
BAN19960073 American Credit Counselors, Inc.
To open a debt counseling office
BAN19960074 Mortgage Investment Corporation
To relocate a mortgage lender broker's office from 1403 Pemberton Road, Suite 302, Richmond, VA to 1311 Jamestown Road, Suite 101, Williamsburg, VA
BAN19960075 First Virginia Bank
To open a branch at 20522 Falcons Landing Circle, Sterling, VA
BAN19960076 Amerifirst Corporation, The
For a mortgage broker's license
BAN19960077 Virginia League Central Credit Union, Incorporated
To open a credit union service office at 10014 Robious Road, Robious Hall Shopping Center, Richmond, VA
BAN19960078 Delta Funding Corporation
To open a mortgage lender's office at 1206 Laskin Road, Suite 201, Virginia Beach, VA
BAN19960079 Integrity Mortgage and Finance, Inc.
To relocate a mortgage broker's office from 13238 Executive Park Terrace, Germantown, MD to 7564 Standish Place, Suite 100, Rockville, MD
BAN19960080 Equitable Mortgage Group, Inc.
For a mortgage broker's license
BAN19960081 Prime Mortgage Investors, Inc.
To open a mortgage lender's office
BAN19960082 Regency Bank
To open a branch at NW Corner of Huguenot Road and Promenade Parkway, Chesterfield County, VA
BAN19960083 Aames Home Loan of America
For a mortgage lender's license
BAN19960084 Sun Mortgage Corporation
To relocate a mortgage broker's office from 431 Witchduck Road, Virginia, VA to 658 West Fox Grove Court, Virginia Beach, VA
BAN19960085 MorEquity of Nevada, Inc. (Used in VA by MorEquity, Inc.)
To open a mortgage lender's office
BAN19960086 First Virginia Bank - Commonwealth
To open a branch at 1033 West Mercury Boulevard, Hampton, VA
BAN19960087 First Virginia Bank - Commonwealth
To open a branch at 11718 Jefferson Avenue, Newport News, VA
BAN19960088 First Virginia Bank - Commonwealth
To open a branch at 5003 Victory Boulevard, York County, VA
BAN19960089 First Virginia Bank - Commonwealth
To open a branch at 1112 Big Bethel Road, Hampton, VA
BAN19960090 First Virginia Bank - Commonwealth
To open a branch at 397 Denbigh Boulevard, Newport News, VA
BAN19960091 First Virginia Bank - Commonwealth
To open a branch at 452 Wythe Creek Road, Poquoson, VA
BAN19960092 Chesapeake Capital Finance Co.
For a mortgage broker's license
BAN19960093 CMK Corporation t/a Mortgage Capital Investors
To relocate a mortgage lender broker's office from 5515 Cherokee Avenue, Alexandria, VA to 1421 Prince Street, Suite #230, Alexandria, VA
BAN19960094 Crestar Bank
To establish an EFT at Sentara Leigh Hospital, 830 Kempsville Road, Norfolk, VA
BAN19960095 GMAC Mortgage Corporation of PA
To open a mortgage lender and broker's office at 1050 Wilshire Drive, Troy, MI
BAN19960096 Bank of Botetourt
To establish an EFT at 4070 Roanoke Road, Fincastle, VA
BAN19960097 Wachovia Bank of North Carolina, N.A.
To open a branch at 999 Waterside Drive, Norfolk, VA

BAN19960098 Paragon Mortgage & Financial Services Corp.
For a mortgage lender's license
BAN19960099 Allied Federal Financial, LLC
To open a mortgage lender's office
BAN19960100 Fox, Douglas R. d/b/a Fox Mortgage Associates
To relocate a mortgage broker's office from 2970 Chain Bridge Road, Oakton, VA to 2970 Chain Bridge Road, Oakton, VA
BAN19960101 Security Pacific Financial Services, Inc.
To relocate consumer finance office from Leesburg Plaza, Leesburg, VA to 24D Plaza Street, NE, Leesburg, VA
BAN19960102 First Greensboro Home Equity, Inc.
To relocate a mortgage lender broker's office from 4830 Koger Boulevard, Greensboro, NC to 1801 Stanley Road, Suite 102, Greensboro, NC
BAN19960103 First Greensboro Home Equity, Inc.
To open a mortgage lender and broker's office at 1601 Rolling Hills Drive, Suite 100, Richmond, VA
BAN19960104 One Stop Mortgage, Inc.
To open a mortgage lender's office
BAN19960105 American General Finance of America, Inc.
To relocate consumer finance office from 9550 Midlothian Turnpike, Richmond, VA to 8519 Midlothian Turnpike, Chesterfield County, VA
BAN19960106 American General Finance, Inc.
To relocate a mortgage lender's office from 9550 Midlothian Turnpike, Richmond, VA to 8519 Midlothian Turnpike, Richmond, VA
BAN19960107 Transouth Mortgage Corporation
To open a mortgage lender's office at 7088 Mechanicsville Turnpike, Mechanicsville, VA
BAN19960108 Transouth Mortgage Corporation
To open a mortgage lender's office at 192 Zan Road, Charlottesville, VA
BAN19960109 Castleton Capital Corp.
For a mortgage broker's license
BAN19960110 Transouth Financial Corporation
To open a consumer finance office
BAN19960111 Transouth Financial Corporation
To open a consumer finance office
BAN19960112 Transouth Financial Corporation
To conduct property insurance business where other business will also be conducted
BAN19960113 Transouth Financial Corporation
To conduct mortgage lending where other business will also be conducted
BAN19960114 Transouth Financial Corporation
To conduct open-end lending where other business will also be conducted
BAN19960115 Transouth Financial Corporation
To conduct floor plan lending where other business will also be conducted
BAN19960116 Transouth Financial Corporation
To conduct sales finance business where other business will also be conducted
BAN19960117 Mount Vernon Capital Corporation
To open a mortgage broker's office at 2001 Carter Road, S.W., Roanoke, VA
BAN19960118 Copeland Mortgage Services, Inc.
For a mortgage broker's license
BAN19960119 Orion Financial Services, Inc.
For a mortgage lender's license
BAN19960120 CommonWealth Bank, The
To open a branch at 900 N. Parham Road, Henrico County, VA
BAN19960121 BNC Mortgage, Inc.
To open a mortgage lender's office
BAN19960122 RIA Telecommunications, Inc.
For a money order license
BAN19960123 Harbor Financial Mortgage Corporation
To open a mortgage lender and broker's office at 340 North Sam Houston Parkway East, Suite 100, Houston, TX
BAN19960124 Associates Financial Services of America, Inc.
To relocate a mortgage lender's office from 9641 Lee Highway, Fairfax, VA to 11139 Lee Highway, Fairfax, VA
BAN19960125 Associates Financial Services Company of Virginia, Inc.
To relocate consumer finance office from 9641 Lee Highway, Fairfax Circle, Fairfax, VA to 11139 Lee Highway, Fairfax, VA
BAN19960126 Tidewater Telephone Employees Credit Union, Incorporated
To open a credit union service office at 10014 Robious Road, Robious Hall Shopping Center, Richmond, VA
BAN19960127 Primerica Financial Services Home Mortgages, Inc.
To open a mortgage lender and broker's office at 10 North Hill Drive, Suite 1-2B, Warrenton, VA
BAN19960128 Metropolitan Mortgage Corporation
To open a mortgage broker's office at 7200 D Telegraph Square Drive, Lorton, VA
BAN19960129 Mortgage Edge Corporation
To open a mortgage lender and broker's office at 8627 Mathis Avenue, Manassas, VA
BAN19960130 Lotus Mortgage Company, L. C.
To relocate a mortgage broker's office from 7297-D Lee Highway, Falls Church, VA to 7297-J Lee Highway, Falls Church, VA
BAN19960131 First-Citizens Bank & Trust Company
To open a branch at 4119 Boonsboro Road, Campbell County, VA

BAN19960132 Traditional Mortgage Corporation
For a mortgage lender's license
BAN19960133 Miners Exchange Bank
To relocate office from northeast corner of the intersection, Appalachia, VA to 102 West Main Street, Appalachia, VA
BAN19960134 Chesapeake Investment & Mortgage Corporation
For a mortgage lender's license
BAN19960135 Martinsville Du Pont Employees Credit Union, Incorporated
To merge into it M.H.M.H.C. Employees Credit Union, Martinsville, VA
BAN19960136 One Valley Bancorp of West Virginia, Inc.
To acquire One Valley Thrift, Inc.
BAN19960136 One Valley Bancorp of West Virginia, Inc.
To acquire CSB Financial Corporation
BAN19960137 Prime Care Credit Union, Incorporated
To open a credit union service office at 10014 Robious Road, Robious Hall Shopping Center, Richmond, VA
BAN19960138 First-Citizens Bank & Trust Company
To open a branch at 4400 Brambleton Avenue, Roanoke County, VA
BAN19960139 Furman Selz Holding LLC
To acquire 100 percent of RJ Residential Funding Corp.
BAN19960140 Guardhill Financial Corp.
For a mortgage broker's license
BAN19960141 Abbot Mortgage Service, Inc.
To relocate a mortgage lender broker's office from 1320 Old Chain Bridge Road, Ste. 320, McLean, VA to 1320 Old Chain Bridge Road, Ste. 320, McLean, VA
BAN19960142 Woodland Capital Corp.
To open a mortgage lender's office
BAN19960143 FHB Funding Corp.
To open a mortgage lender's office
BAN19960144 Home Mortgage Center, Inc.
To open a mortgage lender and broker's office at 13219 Coralberry Drive, Fairfax, VA
BAN19960145 Bitco, Inc. d/b/a Fair Play Convenience Stores
To open a check casher at 1235 Mosby Street, Richmond, VA
BAN19960146 Harborside Financial Network, Inc.
To open a mortgage lender's office
BAN19960147 Citizens Mortgage Corporation
For a mortgage lender's license
BAN19960148 Supermail International, Inc. d/b/a Cash 'N Shop
To open a check casher at 6751 Wilson Boulevard, Falls Church, VA
BAN19960149 Money Store/DC, Inc., The
To open a mortgage lender and broker's office at 1625 N. Market Boulevard, Sacramento, CA
BAN19960150 New Jersey Mortgage and Investment Corp.
To open a mortgage lender's office
BAN19960151 United First Mortgage, Inc. d/b/a Northstar Mortgage Group
To open a mortgage lender and broker's office at 8003 Franklin Farms Drive, Suite 233, Richmond, VA
BAN19960152 Monroe Mortgage Inc.
To open a mortgage broker's office at 729 Thimble Shoals Blvd., Suite 3C, Newport News, VA
BAN19960153 King, Barry
For a mortgage broker's license
BAN19960154 Crestar Bank
To open a branch at 5700 Williamsburg Landing Drive, James City County, VA
BAN19960155 Chrysler Home Mortgage Corporation
To relocate a mortgage broker's office from 1108 Madison Plaza, Suite 201, Chesapeake, VA to 1324 N. Battlefield Boulevard, Chesapeake, VA
BAN19960156 Funding Group, Inc., The
To open a mortgage broker's office at One Wyoming Court, Suite B, Bethesda, MD
BAN19960157 Sauls, Barbara Ann
To relocate a mortgage broker's office from 8332 Richmond Highway, Suite 204, Alexandria, VA to 7704 Richmond Highway, Suite 200, Alexandria, VA
BAN19960158 Express Mortgage Bankers, Inc.
To relocate a mortgage lender broker's office from 6928 C Little River Turnpike, Annandale, VA to 4115 Annandale Road, Suite 200, Annandale, VA
BAN19960159 Union Bank and Trust Company
To open a branch at 8520 Jefferson Davis Highway, Spotsylvania County, VA
BAN19960160 Mason Dixon Funding, Inc.
For a mortgage lender's license
BAN19960161 Caroline Savings Bank
To open a savings branch at 2609 Lafayette Boulevard, Spotsylvania County, VA
BAN19960162 Crestar Bank
To relocate office from 4259 Wilson Boulevard, Arlington County, VA to 4301 Wilson Boulevard, Arlington County, VA
BAN19960163 Citizens Bank of Virginia
To open a branch at 11600 Plaza America Drive, Reston, VA
BAN19960164 E. M. Willis Mortgage Corporation
For a mortgage broker's license

BAN19960165 Mortgage Loan Services, Inc.
For a mortgage lender's license
BAN19960166 East Coast Funding, Inc.
For a mortgage broker's license
BAN19960167 Clark, Kenneth E.
To acquire 100 percent of First Guaranty Mortgage Corporation
BAN19960168 Harbour Credit Counseling Services, Inc.
To open a debt counseling office
BAN19960169 Brookstone Mortgage, Inc.
For a mortgage broker's license
BAN19960170 Molton, Allen & Williams Corporation
For a mortgage lender's license
BAN19960171 Bank of Hampton Roads, The
To open a branch at 1400 Kempsville Road, Suite 102, Chesapeake, VA
BAN19960172 George Mason Bankshares, Inc.
To acquire Palmer National Bank
BAN19960173 NVX, Incorporated
For a mortgage broker's license
BAN19960174 Security Pacific Financial Services, Inc.
To relocate consumer finance office from 11023 Hull Street, Midlothian, VA to 9101 Midlothian Turnpike, Suite 625, Chesterfield County, VA
BAN19960175 Williamson & Schultz, L.L.C. d/b/a Skyline Mortgage Group
For a mortgage lender's license
BAN19960176 Superior Mortgage Corporation
For a mortgage lender's license
BAN19960177 Mortgage Masters, Inc. t/a Money Marketing, Inc.
For a mortgage broker's license
BAN19960178 Chesapeake 1st Mortgage Corporation (Used in Va. By Chesapeake Mortgage Corporation)
To relocate a mortgage broker's office from 4041 Powder Mill Road, Suite 300, Calverton, MD to 15009 Athey Road, Burtonsville, MD
BAN19960179 CTX Mortgage Company
To open a mortgage lender and broker's office at 3333 Lee Parkway, Dallas, TX
BAN19960180 Virginia Heartland Bank
To open a branch at 1016 Charles Street, Fredericksburg, VA
BAN19960181 Mortgage Investment Corporation
To open a mortgage lender and broker's office at 114 E. Main Street, Bedford, VA
BAN19960182 Martinez-Baldivia, Esther
To relocate a mortgage broker's office from 2121 Eisenhower Avenue, Suite 202, Alexandria, VA to 4810 Beauregard Street, Suite 303, Alexandria, VA
BAN19960183 Security Pacific Financial Services, Inc.
To open a consumer finance office
BAN19960184 AAA Mortgage and Financial Corporation
For a mortgage lender's license
BAN19960185 First Security Financial Services, Inc.
To open a mortgage lender's office
BAN19960186 Main Street Mortgage and Investment Corporation
To relocate a mortgage broker's office from 1310 West Main Street, Richmond, VA to 9030 Three Chopt Road, Suite D, Richmond, VA
BAN19960187 Bank of the Commonwealth
To open a branch at 1870 Kempsville Road, Virginia Beach, VA
BAN19960188 George Mason Bank, The
To open a branch at 531-A East Market Street, Leesburg, VA
BAN19960189 Consumer Credit Counseling Service of Virginia, Inc. d/b/a Credit Counselors - Tidewater
To open an additional debt counseling office at 12917 Jefferson Avenue, Suite O, Newport News, VA
BAN19960190 Eastland Mortgage Company, Inc.
To relocate a mortgage broker's office from 3401 Poplar Creek Lane, Williamsburg, VA to 3400 Acorn Street, Williamsburg, VA
BAN19960191 1st Preference Mortgage Corp.
To relocate a mortgage lender broker's office from 8150 Leesburg Pike, Suite 700, #703, Vienna, VA to 610 Madison Street, Alexandria, VA
BAN19960192 County Bank of Chesterfield
To open a branch at 348 East Hundred Road, Chester, VA
BAN19960193 Primerica Financial Services Home Mortgages, Inc.
To open a mortgage lender and broker's office at 3831 Old Forest Road, Suite 6, Lynchburg, VA
BAN19960194 Primerica Financial Services Home Mortgages, Inc.
To relocate a mortgage lender broker's office from 2121 Eisenhower Avenue, Suite 202, Alexandria, VA to 4810 Beauregard Street, Suite 303, Alexandria, VA
BAN19960195 Bancorp Mortgage Corporation
To open a mortgage broker's office at 4818 Pestwick Drive, Fairfax, VA
BAN19960196 Commonwealth United Mortgage Company
To relocate a mortgage broker's office from 10400 Eaton Place, Suite 102, Fairfax, VA to 2324 N. Jackson Street, Arlington, VA
BAN19960197 Consolidated Mortgage and Financial Services Corporation d/b/a Mr. Cash
To relocate a mortgage lender broker's office from 1901 North Harrison Avenue, Cary, NC to 1100 Crescent Green, Suite 129, Cary, NC

BAN19960198 Weyerhaeuser Mortgage Company
To relocate a mortgage lender broker's office from Capital Office Park 3, Suite 220, Greenbelt, MD to 6305 Ivy Lane, Suite 700, Greenbelt, MD
BAN19960199 Fidelity First Mortgage, LLC d/b/a Union First Funding Group
For a mortgage lender's license
BAN19960200 Citizens Acquisition Subsidiary, Inc.
To open an interim bank - Citizens Bank of Tazewell, Inc.
BAN19960200 Citizens Acquisition Subsidiary, Inc.
To open an interim bank - Citizens Bank of Tazewell
BAN19960201 FCFT, Inc.
To acquire Citizens Bank of Tazewell, Inc., Richlands, VA
BAN19960202 Cardinal Bankshares Corporation
To acquire Bank of Floyd, The, Floyd, VA
BAN19960203 Arlington Capital Mortgage Corporation
To open a mortgage lender's office
BAN19960204 Academy Mortgage, Inc.
For a mortgage broker's license
BAN19960205 Parkway Mortgage, Inc.
To relocate a mortgage lender broker's office from 6810 Deerpath Road, Suite 305, Baltimore, MD to 1099 Winterson Road, Suite 140, Linthicum, MD
BAN19960206 Diversified Funding, Inc.
To open a mortgage broker's office at 2524 George Washington Memorial Highway, Tabb, VA
BAN19960207 Virginia Credit Union, Inc.
To open a credit union service office at 11030 Hull Street Road, Midlothian, VA
BAN19960208 Kenwood Associates Employee Stock Ownership Trust
To acquire 100 percent of Kenwood Associates, Inc.
BAN19960209 Family Finance Corp.
To conduct mortgage lending where other business will also be conducted
BAN19960210 Family Finance Corp.
To conduct mortgage brokering where other business will also be conducted
BAN19960211 Family Finance Corp.
To conduct sales finance business where other business will also be conducted
BAN19960212 Family Finance Corp.
To conduct property insurance business where other business will also be conducted
BAN19960213 Capital Home Funding Corporation
For a mortgage broker's license
BAN19960214 Monarch Mortgage, Inc.
To open a mortgage broker's office at 3421 Commission Court, Suite 101, Lake Ridge, VA
BAN19960215 Primerica Financial Services Home Mortgages, Inc.
To relocate a mortgage lender broker's office from 8332 Richmond Highway, Suite 204, Alexandria, VA to 7704 Richmond Highway, Suite 200, Alexandria, VA
BAN19960216 Atlas Capital Funding, Inc.
To open a mortgage lender's office at 7799 Leesburg Pike, Suites 923-925, Falls Church, VA
BAN19960217 Fairfax Bank & Trust Company
To open a branch at 6257A Old Dominion Drive, McLean, VA
BAN19960218 Key Bank and Trust
To open a branch at 1031 Edward's Ferry Road, Leesburg, VA
BAN19960219 Pro Mortgage Corporation
To relocate a mortgage broker's office from 6229 Executive Boulevard, Rockville, MD to 101 Lakeforest Boulevard, Suite 403, Gaithersburg, MD
BAN19960220 Dooley, Mary P. t/a MPD Mortgage Company
To relocate a mortgage broker's office from 107 Summit Way, Roanoke, VA to 341 Plybon Circle, Wirtz, VA
BAN19960221 Pond Point Mortgage Company
For a mortgage broker's license
BAN19960222 Greater Potomac Mortgage Company
To relocate a mortgage lender's office from One Columbus Center, Suite 631, Virginia Beach, VA to Reflections III, Suite 475, Virginia Beach, VA
BAN19960223 Innovative Mortgage Corporation
To relocate a mortgage broker's office from 1501 Santa Rosa Road, Suite A-10, Richmond, VA to 8003 Franklin Farms Drive, Ste. 115, Richmond, VA
BAN19960224 Security Pacific Financial Services, Inc.
To open a consumer finance office
BAN19960225 Dominion First Mortgage Corporation
For a mortgage broker's license
BAN19960226 Campbell, Robert E.
To acquire 100 percent of Dynamics Financial, Inc.
BAN19960227 Papaloizos, John T.
To acquire 100 percent of Federal Capital Funding Corp.
BAN19960228 Agency Mortgage Corporation
For a mortgage broker's license
BAN19960229 Capital Seekers Inc.
For a mortgage broker's license

BAN19960230 21st Century Mortgage Corporation
To open a mortgage lender's office
BAN19960231 Mortgage Servicing Acquisition Corporation d/b/a National Mortgage Corporation
To open a mortgage lender and broker's office at 100 Jefferson Boulevard, Suite 205, Warwick, RI
BAN19960232 United Southern Mortgage Corporation of Roanoke, Inc.
To open a mortgage lender and broker's office at 11508 Bend Bow Drive, Fredericksburg, VA
BAN19960233 Green Tree Consumer Discount Company
To conduct mortgage lending where other business will also be conducted
BAN19960234 Princess Anne Bank
To open a branch at Holland Road and Windsor Oaks Blvd., Virginia Beach, VA
BAN19960235 Hoff, Stephen Z.
To acquire 100 percent of Brokers Commitment Corporation
BAN19960236 First Greensboro Home Equity, Inc.
To open a mortgage lender and broker's office at 494 Piney Forest Road, Danville, VA
BAN19960237 Signet Bank
To establish an EFT at 4340 Innslake Drive, Glen Allen, VA
BAN19960238 Crestar Bank
To establish an EFT at Sentara Bayside Hospital, 800 Independence Boulevard, Virginia Beach, VA
BAN19960239 Crestar Bank
To establish an EFT at 2600 International Parkway, Virginia Beach, VA
BAN19960240 Homestead Financial, Inc.
For a mortgage broker's license
BAN19960241 Hanover Bank
To open a branch at 11400 Nuckols Road, Hanover County, VA
BAN19960242 Consumer Mortgage & Investment Corp.
To relocate a mortgage lender broker's office from 2807 Parham Rd., Suite 333, Richmond, VA to 2807 Parham Road, Suite 209, Richmond, VA
BAN19960243 Noel, Brett
For a mortgage broker's license
BAN19960244 Capital Direct Funding Group, Inc.
For a mortgage lender's license
BAN19960245 Dominion Capital, Inc.
To acquire 100 percent of Saxon Mortgage, Inc.
BAN19960246 James River Mortgage Corp.
To open a mortgage broker's office at 11429 Ivy Home Place, Richmond, VA
BAN19960247 Hawkins, Perry M.
For a mortgage broker's license
BAN19960248 1st Potomac Mortgage Corporation
To open a mortgage lender and broker's office at 600 One Columbus Center, Suite 622, Virginia Beach, VA
BAN19960249 Allied Federal Financial, LLC
To open a mortgage lender's office at 10565 Lee Highway, Suite 300, Fairfax, VA
BAN19960250 Rocuda Finance Co.
To open a consumer finance office
BAN19960251 Home Mortgage Center, Inc.
To open a mortgage lender and broker's office at 1340 Old Chain Bridge Rd., Ste. 304A, McLean, VA
BAN19960252 Beneficial Mortgage Co. of Virginia
To relocate a mortgage lender broker's office from 1106 Green Run Square, Virginia Beach, VA to Holland Plaza Shopping Center, 4328 Holland Road, Unit 7, Virginia Beach, VA
BAN19960253 Beneficial Discount Co. of Virginia
To relocate a mortgage lender's office from 1106 Green Run Square Shopping Center, Virginia Beach, VA to Holland Plaza Shopping Center, 4328 Holland Road, Unit 7, Virginia Beach, VA
BAN19960254 Beneficial Virginia, Inc.
To relocate consumer finance office from 1106 Green Run Square Shopping Center, Virginia Beach, VA to Holland Plaza Shopping Center, 4328 Holland Road, Unit 7, Virginia Beach, VA
BAN19960255 Family Service of Central Virginia Incorporated d/b/a Consumer Credit Counseling Service of Central Virginia
To relocate a debt counseling office from 1010 Miller Park Square, Lynchburg, VA to 2600 Memorial Avenue, Suite 201, Lynchburg, VA
BAN19960256 First Guaranty Mortgage Corporation
To open a mortgage lender and broker's office at 8180 Greensboro Drive, Suite 1175, McLean, VA
BAN19960257 Apollo Mortgage and Financial Services, Inc.
To open a mortgage lender's office
BAN19960258 E-Mortgage, LLC
To open a mortgage lender's office
BAN19960259 Transouth Mortgage Corporation
To open a mortgage lender's office at 1000 Memorial Drive, Martinsville, VA
BAN19960260 Transouth Financial Corporation
To open a consumer finance office
BAN19960261 Transouth Financial Corporation
To conduct sales finance business where other business will also be conducted
BAN19960262 Transouth Financial Corporation
To conduct floor plan lending where other business will also be conducted

BAN19960263 Transouth Financial Corporation
To conduct open-end lending where other business will also be conducted
BAN19960264 Transouth Financial Corporation
To conduct mortgage lending where other business will also be conducted
BAN19960265 Transouth Financial Corporation
To conduct property insurance business where other business will also be conducted
BAN19960266 Papaloizos, John T.
To acquire 100 percent of Federal Capital Funding Corp.
BAN19960267 Security Pacific Financial Services, Inc.
To open a consumer finance office
BAN19960268 Security Pacific Financial Services, Inc.
To conduct sales finance business where other business will also be conducted
BAN19960269 Security Pacific Financial Services, Inc.
To conduct open-end lending where other business will also be conducted
BAN19960270 Security Pacific Financial Services, Inc.
To conduct mortgage lending where other business will also be conducted
BAN19960271 Security Pacific Financial Services, Inc.
To conduct sales finance business where other business will also be conducted
BAN19960272 Security Pacific Financial Services, Inc.
To conduct open-end lending where other business will also be conducted
BAN19960273 Security Pacific Financial Services, Inc.
To conduct mortgage lending where other business will also be conducted
BAN19960274 Security Pacific Financial Services, Inc.
To conduct sales finance business where other business will also be conducted
BAN19960275 Security Pacific Financial Services, Inc.
To conduct open-end lending where other business will also be conducted
BAN19960276 Security Pacific Financial Services, Inc.
To conduct mortgage lending where other business will also be conducted
BAN19960277 Consumer Credit Counseling Service of Greater Washington, Inc.
To relocate a debt counseling office from 12801 Darby Brooke Court, Suite 202, Woodbridge, VA to 12662-B Lake Ridge Drive, Woodbridge, VA
BAN19960278 NVR Mortgage Finance, Inc.
To relocate a mortgage lender broker's office from 111 Ryan Court, Pittsburgh, PA to 100 Ryan Court, Pittsburgh, PA
BAN19960279 Imperial Credit Industries, Inc.
To open a mortgage lender's office at 2600 Michelson Drive, 2nd Floor, Irvine, CA
BAN19960280 Signet Bank
To open a branch at 555 Quince Orchard Road, Suite 110, Gaithersburg, MD
BAN19960281 Imperial Home Loans, Inc.
For a mortgage lender's license
BAN19960282 Consumer Credit Counseling Service of Virginia, Inc. d/b/a Credit Counselors - Tidewater
To relocate a debt counseling office from 1655 East Market Street, Harrisonburg, VA to 370-V Neff Avenue, Harrisonburg, VA
BAN19960283 Consumer Credit Counseling Service of Virginia, Inc. d/b/a Credit Counselors - Tidewater
To open an additional debt counseling office at 2013 Cunningham Drive, Suite 100, Hampton, VA
BAN19960284 Innovative Mortgage Corporation
To open a mortgage broker's office at 7629 Williamson Road, Suite 6, Roanoke, VA
BAN19960285 Money Lenders, Inc.
For a mortgage broker's license
BAN19960286 Rockingham Heritage Bank
To open a branch at 410 Spotswood Avenue, Elkton, VA
BAN19960287 Bank of Alexandria, The
To open a branch at 7901 Richmond Highway, Fairfax County, VA
BAN19960288 First Virginia Bank
To relocate office from 9100 Center Street, Manassas, VA to SW corner of the intersection of Wellington and Dumfries Roads, Manassas, VA
BAN19960289 Allied Federal Financial, LLC
To open a mortgage lender's office at 7833 Walker Drive, Suite 660, Greenbelt, MD
BAN19960290 DecisionOne Mortgage Company, LLC
To open a mortgage lender's office
BAN19960291 Elder Mortgage, Inc.
For a mortgage broker's license
BAN19960292 1st Potomac Mortgage Corporation
To open a mortgage lender and broker's office at 1523 King Street, Alexandria, VA
BAN19960293 First Savings Mortgage Corporation
To open a mortgage lender and broker's office at 122 Defense Highway, Suite 200, Annapolis, MD
BAN19960294 First Savings Mortgage Corporation
To open a mortgage lender and broker's office at 500 Lafayette Boulevard, Suite 140, Fredericksburg, VA
BAN19960295 Consolidated Mortgage and Financial Services Corporation d/b/a Mr. Cash
To relocate a mortgage lender broker's office from 8280 Greensboro Drive, #410, McLean, VA to 8300 Greensboro Drive, Suite 1020, McLean, VA
BAN19960296 Bank of Carroll
To establish an EFT at northeast corner of the intersection of U.S. Route 58 and State Route 743, Carroll County, VA

BAN19960297 TelNet Financial Corporation
For a mortgage broker's license
BAN19960298 Finance America Corporation of Maryland (Used in VA by: Finance America Corporation)
To open a mortgage lender's office at 12510 Prosperity Drive, Suite 200, Silver Spring, MD
BAN19960299 Security First Funding Corporation (Used in VA by: Security First Funding)
To relocate a mortgage broker's office from 161A John Jefferson Road, Suite 1B, Williamsburg, VA to 161A John Jefferson Road, Suite 1B, Williamsburg, VA
BAN19960300 First Virginia Bank
To establish an EFT at Fairfax County Government Center, 12011 Government Center Parkway, Fairfax County, VA
BAN19960301 Condor Capital Corp.
To open a consumer finance office
BAN19960302 Brown, Jr., Milan R.
For a mortgage broker's license
BAN19960303 Ford Consumer Finance Company, Inc.
To relocate a mortgage lender broker's office from 4905 Koger Boulevard, Suite 200, Greensboro, NC to 4905 Koger Boulevard, Greensboro, NC
BAN19960304 Approved Residential Mortgage, Inc.
To open a mortgage lender and broker's office at 3805 Cutshaw Avenue, Daniel Building, Richmond, VA
BAN19960305 Community Bankshares, Incorporated
To acquire Commerce Bank of Virginia
BAN19960306 Alpha Mortgage Consultants, Ltd.
To open a mortgage broker's office at 9700 Lakepointe Drive, Burke, VA
BAN19960307 HomeAmerican Credit, Inc. d/b/a Upland Mortgage
To relocate a mortgage lender's office from Cinnaminson Mall, Cinnaminson, NJ to One Mall Drive, Suite 905, Cherry Hill, NJ
BAN19960308 HomeComings Financial Network, Inc.
For a mortgage lender's license
BAN19960309 Carolina Mortgage Brokers, Inc. d/b/a CMB Mortgage
For a mortgage lender's license
BAN19960310 Virginia Mortgage Funding Corporation
To relocate a mortgage broker's office from 7600-B Leesburg Pike, #350, Falls Church, VA to 11350 Random Hills Road, Suite 800, Fairfax, VA
BAN19960311 First Greensboro Home Equity, Inc.
To open a mortgage lender and broker's office at One Mill Street, Suite 202, Farmville, VA
BAN19960312 GMAC Mortgage Corporation of PA
To relocate a mortgage lender broker's office from 8360 Old York Road, Elkins Park, PA to 100 Witmer Road, Horsham, PA
BAN19960313 Bank of Suffolk
To open a branch at 1589 Bridge Road, Suffolk, VA
BAN19960314 PHH Mortgage Services Corporation
To open a mortgage lender and broker's office at 6231 Leesburg Pike, Suite 100, Falls Church, VA
BAN19960315 PHH Mortgage Services Corporation
To open a mortgage lender and broker's office at 2009 Huguenot Road, Richmond, VA
BAN19960316 PHH Mortgage Services Corporation
To open a mortgage lender and broker's office at 1809 William Street, Fredericksburg, VA
BAN19960317 PHH Mortgage Services Corporation
To open a mortgage lender and broker's office at 7700 Little River Turnpike, Suite 100, Annandale, VA
BAN19960318 PHH Mortgage Services Corporation
To open a mortgage lender and broker's office at 763 J. Clyde Morris Boulevard, Newport News, VA
BAN19960319 PHH Mortgage Services Corporation
To open a mortgage lender and broker's office at 105 Judicial Drive, Suite 300, Fairfax, VA
BAN19960320 PHH Mortgage Services Corporation
To open a mortgage lender and broker's office at 3700 Old Forest Road, Lynchburg, VA
BAN19960321 PHH Mortgage Services Corporation
To open a mortgage lender and broker's office at 720 Thimble Shoals Blvd., Suite 111, Newport News, VA
BAN19960322 Finance One, Inc.
To conduct sales finance business where other business will also be conducted
BAN19960323 United Community Bankshares, Inc.
To acquire Bank of Sussex and Surry, The, Wakefield, VA
BAN19960324 United Community Bankshares, Inc.
To acquire Bank of Franklin, The , Franklin, VA
BAN19960325 First-Citizens Bank & Trust Company
To open a branch at 3862 Electric Road, Roanoke County, VA
BAN19960326 North Atlantic Mortgage Corporation
For a mortgage broker's license
BAN19960327 Rocuda Finance Co.
To conduct mortgage lending where other business will also be conducted
BAN19960328 Sunshine, Inc. t/a South West Mortgage Corp.
To open a mortgage broker's office at 6352 Rolling Mill Place, Suite 101, Springfield, VA
BAN19960329 Statewide Mortgage Corporation
To relocate a mortgage broker's office from 485 South Independence Boulevard, Virginia Beach, VA to 408 Oakmears Crescent, Virginia Beach, VA

BAN19960330 First Virginia Bank - Shenandoah Valley
To merge into it First Virginia Bank-Central
BAN19960330 First Virginia Bank - Shenandoah Valley
To merge into it First Virginia Bank-Blue Ridge
BAN19960331 Johnson Mortgage Company
To open a mortgage lender and broker's office at 3030 Tyre Neck Road, Portsmouth, VA
BAN19960332 1st Potomac Mortgage Corporation
To relocate a mortgage lender broker's office from 804 Moorefield Park Drive, Suite 302, Richmond, VA to 804 Moorefield Park Drive, Suite 202, Richmond, VA
BAN19960333 International Mortgage Association, Inc.
To relocate a mortgage broker's office from 4743 Marlboro Pike, Coral Hills, MD to 4700 Auth Place, Suite 500, Camp Springs, MD
BAN19960334 American Lending Group, Inc.
For a mortgage broker's license
BAN19960335 Nationwide Financial Corp.
For a mortgage broker's license
BAN19960336 Express Mortgage, Inc.
For a mortgage broker's license
BAN19960337 P C Mortgage, Inc.
For a mortgage broker's license
BAN19960338 Southern Financial Bank
To open a branch at 1095 Millwood Pike, Frederick County, VA
BAN19960339 Northern Neck State Bank
To open a branch at 1660 Tappahannock Boulevard, Tappahannock, VA
BAN19960340 Bank of Botetourt
To open a branch at Lot 1, Perimeter East. CommerceCenter, US Route 460 and Trail Drive, Roanoke County, VA
BAN19960341 Rocuda Mortgage Co.
For a mortgage lender's license
BAN19960342 Centura Bank
To open a branch at 1600 General Booth Boulevard, Virginia Beach, VA
BAN19960343 Gravely, Terrell L.
To open a check casher at 3512 Campbell Avenue, Lynchburg, VA
BAN19960344 Olympia Mortgage Corp.
To relocate a mortgage lender's office from 3401 Poplar Creek Lane, Williamsburg, VA to 3400 Acorn Street, Williamsburg, VA
BAN19960345 Payne Financial Services, Ltd.
For a mortgage broker's license
BAN19960347 Capital One Bank
To relocate office from 6-8 Old Bond Street, London, NA to No. 1 Northumberland Avenue, London, NA
BAN19960348 First Greensboro Home Equity, Inc.
To open a mortgage lender and broker's office at 10800 Midlothian Turnpike, Suite 101, Richmond, VA
BAN19960349Lewis, Jr., Arthur Thomas
For a mortgage broker's license
BAN19960350 Citizens Mortgage Corporation
To open a mortgage lender and broker's office at Route 2, Box 45A, Goode, VA
BAN19960351 Edmunds Financial Corporation d/b/a Service First Mortgage
To open a mortgage lender and broker's office at 7801 Sudley Road, Manassas, VA
BAN19960352 Edmunds Financial Corporation d/b/a Service First Mortgage
To open a mortgage lender and broker's office at 9314 Old Keene Mill Road, Burke, VA
BAN19960353 MortgagePrime, L.L.C.
For a mortgage broker's license
BAN19960354 Cross Keys Capital, L.P.
To open a mortgage lender's office
BAN19960355 Alternative Lending Mortgage Corporation
For a mortgage lender's license
BAN19960356 American General Finance, Inc.
To open a mortgage lender's office at 44 Mine Road, Stafford, VA
BAN19960357 American General Finance of America, Inc.
To open a consumer finance office
BAN19960358 American General Finance of America, Inc.
To conduct sales finance business where other business will also be conducted
BAN19960359 American General Finance of America, Inc.
To conduct term life insurance business where other business will also be conducted
BAN19960360 American General Finance of America, Inc.
To conduct property insurance business where other business will also be conducted
BAN19960361 American General Finance of America, Inc.
To conduct mortgage lending where other business will also be conducted
BAN19960362 American General Finance of America, Inc.
To conduct open-end lending where other business will also be conducted
BAN19960363 Lancorp Financial Network, Inc.
For a mortgage broker's license
BAN19960364 RC Mortgage Source, Inc.
For a mortgage broker's license

BAN19960365 Rocuda Finance Co.
To conduct mortgage brokering where other business will also be conducted
BAN19960366 WALEX Financial Services Corporation
For a mortgage lender's license
BAN19960367 Crestar Bank
To establish an EFT at Regency Square Shopping Center, 1420 Parham Road, Henrico County, VA
BAN19960368 Bank of Rockbridge
To establish an EFT at NE corner of the intersection of Interstate 81 and State Route 710, Rockbridge County, VA
BAN19960369 Bank of Rockbridge
To establish an EFT at 125 West Nelson Street, Lexington, VA
BAN19960370 Academy Mortgage, Inc.
To relocate a mortgage broker's office from 2732 Maurice Walk Court, Glen Allen, VA to 2807 North Parham Road, Suite 308, Richmond, VA
BAN19960371 American Lending Group of Maryland, Inc. (Used in VA by: American Lending Group, Incorporated)
For a mortgage lender's license
BAN19960372 Mid-Atlantic Community BankGroup, Inc.
To acquire Peninsula Trust Bank, Incorporated, Gloucester, VA
BAN19960373 American Advantage Mortgage, Inc.
To relocate a mortgage broker's office from 10-B Winters Lane, Baltimore, MD to 702 Frederick Road, Baltimore, MD
BAN19960374 Mego Mortgage Corporation
To open a mortgage lender's office at 12848 Harbor Drive, Woodbridge, VA
BAN19960375 Mortgage South, Inc.
To open a mortgage lender and broker's office at 1115 Franklin Turnpike, Danville, VA
BAN19960376 FS Residential Funding Corp.
To open a mortgage lender's office
BAN19960377 Dively, Gilbert P.
To acquire 100 percent of Business Advisory Systems, Inc.
BAN19960378 Ryan, Charles C.
To acquire 100 percent of Business Advisory Systems, Inc.
BAN19960379 Legacy Financial Group, Inc.
For a mortgage lender's license
BAN19960380 Bowers, Nelms & Fonville, Inc.
To relocate a mortgage broker's office from 7331 Old Cavalry Drive, Mechanicsville, VA to Lot 2, Battlefield Green Commercial Center, Hanover, VA
BAN19960381 Columbia National Incorporated
To open a mortgage lender and broker's office at 6230 Fairview Road, Suite 330, Charlotte, NC
BAN19960382 GMAC Mortgage Corporation of PA
To open a mortgage lender and broker's office at 10777 Main Street, Fairfax, VA.
BAN19960383 Consumer Lending Corporation
For a mortgage broker's license
BAN19960384 First Sovran Funding Group
For a mortgage broker's license
BAN19960385 Consumer Credit Counseling Service of Virginia, Inc. d/b/a Credit Counselors - Tidewater
To open an additional debt counseling office at 710 Little Creek Road, Norfolk, VA
BAN19960386 Intercoastal Mortgage Company
To relocate a mortgage lender broker's office from 9900 Main Street, Suite 202, Fairfax, VA to 12500 Fair Lakes Circle, Suite 290, Fairfax, VA
BAN19960387 Imperial Credit Industries, Inc.
To open a mortgage lender's office at 20371 Irvine Avenue, Santa Ana Heights, CA
BAN19960388 Prime Mortgage Group, Inc.
To relocate a mortgage broker's office from 12450 Parklawn Drive, Rockville, MD to 202 Crestmoor Circle, Silver Spring, MD
BAN19960389 Mortgage Investment Corporation
To open a mortgage lender and broker's office at 7501 Boulders View Drive, Richmond, VA
BAN19960390 Citizens Mortgage Corporation
To open a mortgage lender and broker's office at 7814 Carousel Lane, Suite 300, Richmond, VA
BAN19960391 Strategic Alliance Funding, Inc.
For a mortgage broker's license
BAN19960392 Bank of Southside Virginia, The
To establish an EFT at South Park Avenue and Roslyn Road, Colonial Heights, VA
BAN19960393 First Virginia Bank-Mountain Empire
To open a branch at 13245 Lee Highway, Bristol, VA
BAN19960394 Burcham, James Kevin
To relocate a mortgage broker's office from 120 E. Grayson Street, Galax, VA to 105 N. Main Street, Galax, VA
BAN19960395 Global Mortgage Network Inc. t/a Metro Capital Corp.
To relocate a mortgage broker's office from 9470 Annapolis Road, Suite 413, Lanham, MD to 3 Bethesda Metro Center, Suite 700, Bethesda, MD
BAN19960396 Mortgage Loan Services, Inc.
To relocate a mortgage lender broker's office from 780 Lynnhaven Parkway, Suite 200, Virginia Beach, VA to Windwood Centre, 780 Lynnhaven Parkway, Suite 300, Virginia Beach, VA
BAN19960397 Preferred Mortgage Group, Inc.
To open a mortgage lender and broker's office at 11508 Allecingie Parkway, Suite B, Richmond, VA

BAN19960398 First Mortgage Group, Inc.
To relocate a mortgage broker's office from 11350 Random Hills Road, Suite 700, Fairfax, VA to 10807 Fieldwood Drive, Fairfax, VA
BAN19960399 Norwest Financial Virginia, Inc.
To open a consumer finance office
BAN19960400 Norwest Financial Virginia, Inc.
To conduct mortgage lending where other business will also be conducted
BAN19960401 Norwest Financial Virginia, Inc.
To conduct open-end lending where other business will also be conducted
BAN19960402 Norwest Financial Virginia, Inc.
To conduct business loan business where other business will also be conducted
BAN19960403 Norwest Financial Virginia, Inc.
To conduct property insurance business where other business will also be conducted
BAN19960404 Norwest Financial Virginia, Inc.
To conduct sales finance business where other business will also be conducted
BAN19960405 First-Citizens Bank & Trust Company
To open a branch at 9613 Timberlake Road, Campbell County, VA
BAN19960406 First-Citizens Bank & Trust Company
To open a branch at 2317 Wards Road, Lynchburg, VA
BAN19960407 First-Citizens Bank & Trust Company
To open a branch at Highway 460, Appomattox, VA
BAN19960408 Crestar Bank
To open a branch at 550 Old Franklin Turnpike, Rocky Mount, VA
BAN19960409 First Republic Mortgage Corporation
To open a mortgage lender and broker's office at 4520 East West Highway, Suite 105, Bethesda, MD
BAN19960410 First Financial Services of Virginia Inc. t/a American Mortgage Center American
To relocate a mortgage broker's office from 1500 Forest Avenue, Suite 201, Richmond, VA to 1500 Forest Avenue, Suite 101, Richmond, VA
BAN19960411 Weyerhaeuser Mortgage Company
To open a mortgage lender and broker's office at 199 Liberty Street, S.W., Leesburg, VA
BAN19960412 First Greensboro Home Equity, Inc.
To open a mortgage lender and broker's office at 4830 Koger Boulevard, Greensboro, NC
BAN19960413 Mainstreet Bankgroup, Incorporated
To acquire First National Bank of Clifton Forge, The, Clifton Forge, VA
BAN19960414 F & M Bank-Hallmark
To merge into it F&M Bank-Potomac
BAN19960414 F & M Bank-Hallmark
To merge into it F&M Bank-Northern Virginia
BAN19960415 F & M Bank-Hallmark
To merge into it F & M Bank-Northern Virginia
BAN19960415 F & M Bank-Hallmark
To merge into it Fairfax Bank & Trust Company
BAN19960416 Mortgage Edge Corporation
To open a mortgage lender and broker's office at 7900 Sudley Road, Suite 416, Manassas, VA
BAN19960417 Mason Dixon Funding, Inc.
To open a mortgage lender and broker's office at 8300 Boone Boulevard, Suite 500, Vienna, VA
BAN19960418 Mason Dixon Funding, Inc.
To open a mortgage lender and broker's office at 4041 Powder Mill Road, Suite 300, Calverton, MD
BAN19960419 Investors Mortgage Corporation
For a mortgage broker's license
BAN19960420 Modern Mortgage, Incorporated
To relocate a mortgage broker's office from 6352 Rolling Mill Place, Suite 103, Springfield, VA to 2970 Chain Bridge Road, Oakton, VA
BAN19960421 First Savings Mortgage Corporation
To relocate a mortgage lender broker's office from 500 Lafayette Boulevard, Suite 140, Fredericksburg, VA to 1810 Stafford Avenue, Fredericksburg, VA
BAN19960422 1st Innovative Mortgage Corporation
For a mortgage lender's license
BAN19960423 Starks, III, Raymond H. t/a Mortgage America Investment Centre
To relocate a mortgage broker's office from 8401 Corporate Drive, Suite 620, New Carrollton, MD to 4421 Nicole Drive, Lanham, MD
BAN19960424 TrustMor Mortgage Company
To relocate a mortgage broker's office from 2500 East Parham Road, Suite 8A, Richmond, VA to 2500 East Parham Road, Suite 4, Richmond, VA
BAN19960425 U. S. Mortgage Capital, Inc.
For a mortgage lender's license
BAN19960426 Blazer Financial Services, Inc.
To relocate consumer finance office from 147 Cambell Avenue, SW, Roanoke, VA to 6701 Peters Creek Road, NW, Suite 106, Roanoke, VA
BAN19960427 Blazer Mortgage Services, Inc.
To relocate a mortgage lender's office from 147 Campbell Avenue S.W., Roanoke, VA to 6701 Peters Creek Road, N. E., Suite 106, Roanoke, VA
BAN19960428 Homebuyers Equity Corporation
To relocate a mortgage broker's office from 11900 Parklawn Drive, Suite 340, Rockville, MD to 11900 Parklawn Drive, Suite 403, Rockville, MD

BAN19960429 Cityscape Corp.
To relocate a mortgage lender's office from 11130 Sunrise Valley Drive, Reston, VA to 12030 Sunrise Valley Dr., Suite 240, Reston, VA
BAN19960430 Household Realty Corporation d/b/a Household Realty Corporation of Virginia
To open a mortgage lender and broker's office at Brookville Plaza Shopping Center, 7803 A Timberlake Road, Lynchburg, VA
BAN19960431 Williamson & Schultz, L.L.C. d/b/a Skyline Mortgage Group
To open a mortgage lender and broker's office at 8201 Greensboro Drive, Suite 1000, McLean, VA
BAN19960432 Hope Mortgage Company, Inc.
For a mortgage broker's license
BAN19960433 Peedin, John Jeffrey d/b/a Valley First Mortgage
For a mortgage broker's license
BAN19960434 Hollopeter, David W.
To acquire 100 percent of Intercoastal Mortgage Company
BAN19960435 Choice Mortgage Corporation
To open a mortgage lender and broker's office at 7350 Ladysmith Road, Ladysmith, VA
BAN19960436 Washington Mortgage Services, Inc.
To open a mortgage broker's office at 5570 Sterrett Place, Columbia, MD
BAN19960437 Columbia National, Incorporated
To open a mortgage lender and broker's office at 817 Eastern Shore Drive, Salisbury, MD
BAN19960438 Columbia National, Incorporated
To relocate a mortgage lender broker's office from 3701 Boulevard, Colonial Heights, VA to 12117 Halifax Road, Petersburg, VA
BAN19960439 Belgravia Financial Services, LLC
For a mortgage lender's license
BAN19960440 Foundation Funding Group, Inc.
To open a mortgage lender's office
BAN19960441 Aames Funding Corporation d/b/a Aames Home Loan
For a mortgage lender's license
BAN19960442 Chesapeake Bank
To establish an EFT at 10007 James Madison Highway, Warrenton, VA
BAN19960443 Chandler, Jeffrey Dale
To relocate a mortgage broker's office from 3 Fox Gate Way, Hampton, VA to 123 Westbrook Drive, Hampton, VA
BAN19960444 Home Mortgage Financial Services, Inc.
To relocate a mortgage broker's office from 300 Annapolis Rd., Suite 205, Lanham, MD to 1824 Woodrail Drive, Millersville, MD
BAN19960445 Household Realty Corporation d/b/a Household Realty Corporation of Virginia
To open a mortgage lender and broker's office at Lexington Commons Center, 10168 West Broad Street, Glen Allen, VA
BAN19960446 Harbourton Mortgage Co., L.P.
To open a mortgage lender's office at 1420 Springhill Drive, Suite 130, McLean, VA
BAN19960447 First Heritage Mortgage Company
To open a mortgage broker's office at 1072 Laskin Road, Suite 204-C, Virginia Beach, VA
BAN19960448 First Virginia Bank
To relocate office from 3010 Annandale Road, Fairfax County, VA to 3012 Annandale Road, Fairfax County, VA
BAN19960449 McLean Funding Group, Inc.
To relocate a mortgage broker's office from 8301 Greensboro Drive, Suite 380, McLean, VA to 1700 N. Moore Street, Suite 1703, Arlington, VA
BAN19960450 Metfund Maryland, Inc.
For a mortgage broker's license
BAN19960451 First Midland Mortgage Company, L.L.C.
To relocate a mortgage broker's office from 6305 Ivy Lane, Suite 701, Greenbelt, MD to 3933-D St. Charles Parkway, Waldorf, MD
BAN19960452 Consumers Mortgage Corporation
To relocate a mortgage lender broker's office from 6972 Forest Hill Avenue, Richmond, VA to 11222 Fox Meadow Drive, Richmond, VA
BAN19960453 Crestar Bank
To establish an EFT at 1601 Willow Lawn Drive, Henrico County, VA
BAN19960454 Noble, Paula Renee
For a mortgage broker's license
BAN19960455 Emergent Mortgage Corp.
To open a mortgage lender's office at 8555 River Road, Suite 250, Indianapolis, IN
BAN19960456 Emergent Mortgage Corp.
To open a mortgage lender's office at 121 Grace Drive, Easley, SC
BAN19960457 Emergent Mortgage Corp.
To open a mortgage lender's office at 207 Garvin Street, Pickens, SC
BAN19960458 North American Mortgage Company
To relocate a mortgage lender's office from 8230 Old Courthouse Rd., 3rd Floor, Vienna, VA to 7535 Little River Turnpike, Ste. 230, Annandale, VA
BAN19960459 Primerica Financial Services Home Mortgages, Inc.
To relocate a mortgage lender broker's office from 120 East Grayson Street, Galax, VA to 105 N. Main Street, Galax, VA
BAN19960460 First Virginia Bank
To open a branch at NW corner of intersection of Algonkian Parkway and Hardwood Forest Dr., Loudoun County, VA
BAN19960461 Fairbank Mortgage Bankers Corp.
To open a mortgage lender's office
BAN19960462 FWB Bank
To open a branch at 301 S. Washington Street, Alexandria, VA

BAN19960463 Household Realty Corporation d/b/a Household Realty Corporation of Virginia
To open a mortgage lender and broker's office at Seminole Square Shopping Center, 208 Zan Road, Charlottesville, VA
BAN19960464 Commercial Credit Corporation
To open a mortgage lender's office at 530 East Main Street, Suite 703, Richmond, VA
BAN19960465 Monger, Dwight E.
For a mortgage broker's license
BAN19960466 Mortgage and Equity Funding Corporation
To open a mortgage broker's office at 44820 Acacia Lane, Sterling, VA
BAN19960467 Mortgage and Equity Funding Corporation
To relocate a mortgage broker's office from 162 West Davis Street, Culpeper, VA to 102 Main Street, Suite 22, Culpeper, VA
BAN19960468 Crestar Bank
To establish an EFT at 411 West Randolph Road, Hopewell, VA
BAN19960469 Executive Mortgage Services, Inc.
For a mortgage lender's license
BAN19960470 Dynex Financial, Inc.
To open a consumer finance office
BAN19960471 Fairfax Mortgage Investments, Inc.
To relocate a mortgage lender broker's office from 10560 Main Street, Suite A-100, Fairfax, VA to 12194 Henderson Road, Clifton, VA
BAN19960472 Consultant's Mortgage Inc. (Used in VA by: The Mortgage Consultants, Inc.)
To relocate a mortgage lender broker's office from 3565 Ellicott Mills Dr.. Suite A-1, Ellicott City, MD to 9030 Red Branch Road, Suite 110, Columbia, MD
BAN19960473 GMAC Mortgage Corporation of PA
To open a mortgage lender and broker's office at 2360 W. Joppa Road, Lutherville, MD
BAN19960474 Security Pacific Financial Services, Inc.
To relocate consumer finance office from 617 Greenville Avenue, Staunton, VA to 108 Statler Square, Staunton, VA
BAN19960475 America's Mortgage Source, L.L.C.
For a mortgage lender's license
BAN19960476 MortgageAmerica of Alabama, Inc. (Used in VA by: MortgageAmerica, Inc.)
For a mortgage lender's license
BAN19960477 Crosstate Mortgage & Investments, Inc.
To open a mortgage broker's office at 913 Little Creek Road, Ringgold, VA
BAN19960478 Mortgage and Equity Funding Corporation
To open a mortgage broker's office at 18562 Office Park Drive, Gaithersburg, MD
BAN19960479 Monarch Mortgage, Inc.
To relocate a mortgage broker's office from 3421 Commission Court, Suite 101, Lake Ridge, VA to 12724 Directors Loop, Woodbridge, VA
BAN19960480 Equity One of Virginia, Inc.
To open a mortgage lender and broker's office at 2321 Riverside Drive, Danville, VA
BAN19960481 Capital One Bank
To relocate office from No. 1 Northumberland Avenue, London, NA to 18 Hanover Square, London, NA
BAN19960482 First National Bank of Maryland
To open a branch at 11260 Roger Bacon Drive, Reston, VA
BAN19960483 Homefirst Mortgage Corp.
To relocate a mortgage broker's office from 11320 Random Hills Road, Suite 580, Fairfax, VA to 421 King Street, Suite 224, Alexandria, VA
BAN19960484 Mortgage Edge Corporation
To relocate a mortgage lender broker's office from 6862 Elm Street, Suite 800, McLean, VA to 1355 Beverly Road, Suite 330, McLean, VA
BAN19960485 Select Mortgage Services, L.L.C.
For a mortgage broker's license
BAN19960486 Union Bankshares Corporation
To acquire King George State Bank Inc.
BAN19960487 City Federal Funding & Mortgage Corp.
To open a mortgage lender and broker's office at 4715 Sellman Road, Suites A & B, Beltsville, MD
BAN19960488 Columbia National, Incorporated
To relocate a mortgage lender broker's office from 3040 Williams Drive, Fairfax, VA to 11350 Random Hills Road, Fairfax, VA
BAN19960489 Coastal Mortgage Corp. of Virginia
For a mortgage broker's license
BAN19960490 Bank of Fincastle, The
To establish an EFT at 2635 Colonial Avenue, Roanoke, VA
BAN19960491 First Jefferson Mortgage Corporation
To open a mortgage lender and broker's office at 3590 Holland Road, Suite 116, Virginia Beach, VA
BAN19960492 Ford Consumer Finance Company, Inc.
To relocate a mortgage lender broker's office from 8201 Greensboro Drive, Suite 707, McLean, VA to 8201 Greensboro Drive, Suite 220, McLean, VA
BAN19960493 Columbia National, Incorporated
To relocate a mortgage lender broker's office from 457-B Carlisle Drive, Herndon, VA to 11350 Random Hills Road, Fairfax, VA
BAN19960494 Equity One of Virginia, Inc.
To relocate a mortgage lender broker's office from 505 South Independence Blvd., Suite 10, Virginia Beach, VA to 505 South Independence Blvd., Ste. 107, Virginia Beach, VA
BAN19960495 International Mortgage Funding, Inc.
For a mortgage broker's license

BAN19960496 Financial Security Consultants, Inc.
For a mortgage broker's license
BAN19960497 Dynex Financial, Inc.
To open a mortgage lender's office
BAN19960498 Berkeley Financial Corporation
For a mortgage broker's license
BAN19960499 Equity One Consumer Discount Company, Inc. d/b/a Equity One Consumer Loan
To relocate consumer finance office from 505 S. Independence Boulevard, Suite 1, Virginia Beach, VA to 505 S. Independence Boulevard, Suite 107, Virginia Beach, VA
BAN19960500 Nova Mortgage Credit Corporation d/b/a Nova Mortgage Credit Corporation
To open a mortgage lender's office at 720 Moorefield Park Drive, Suite 204, Richmond, VA
BAN19960501 Virginia Credit Union, Inc.
To open a credit union service office at 1301 College Avenue, Fredericksburg, VA
BAN19960502 Ivy Mortgage Corp.
To open a mortgage lender's office
BAN19960503 Collateral Mortgage Ltd., A Limited Partnership
To open a mortgage lender and broker's office at 161A John Jefferson Road, Williamsburg, VA
BAN19960504 EquiFirst Corporation
To open a mortgage lender's office
BAN19960505 Home Loan Corporation
To relocate a mortgage lender broker's office from 7501 Boulders View Drive, Suite #100, Richmond, VA to 7501 Boulders View Drive, Suite 201, Richmond, VA
BAN19960506 Bell, C. Richard
To acquire 100 percent of Capitol Mortgage Bankers, Inc.
BAN19960507 Crestar Bank DC
To open a bank at 8245 Boone Boulevard, Vienna, VA
BAN19960508 Summit Bankshares, Inc.
To acquire Bank of Rockbridge, Raphine, VA
BAN19960509 BH Acquisition Subsidiary, Inc.
To open an interim bank - Hanover Bank
BAN19960510 Mainstreet Bankgroup, Incorporated
To acquire Hanover Bank Mechanicsville, VA
BAN19960511 Weyerhaeuser Mortgage Company
To open a mortgage lender and broker's office at 700 Old Line Centre, Suite 309, Waldorf, MD
BAN19960512 Advantage Mortgage Company, L.L.C. t/a Bay Mortgage
To open a mortgage lender and broker's office at 168 Business Park Drive, Suite 103, Virginia Beach, VA
BAN19960513 Fieldstone Mortgage Company
To open a mortgage lender and broker's office at Democracy Plaza I, 2nd Floor, 6701 Democracy Boulevard, Bethesda, MD
BAN19960514 Green Tree Financial Servicing Corporation
To open a mortgage lender's office at Reflections III, Suite 250, 208 Golden Oak Court, Virginia Beach, VA
BAN19960515 Burke & Herbert Bank & Trust Company
To relocate office from 1828 Duke Street, Alexandria, VA to 1800 Block Jamieson Avenue, Block E, Lot 706 of Carlyle, Alexandria, VA
BAN19960516 F & M National Corporation
To acquire Allegiance Bank, N.A.
BAN19960517 Complete Mortgage Corporation
For a mortgage broker's license
BAN19960518 Bank of Hampton Roads, The
To open a branch at northeast corner of Portsmouth Blvd. and Gum Road, Chesapeake, VA
BAN19960519 First Virginia Bank - Commonwealth
To open a branch at 1900 Cunningham Drive, Wal-Mart Supercenter, #1631, Hampton, VA
BAN19960520 American Mortgage Reduction, Inc.
For a mortgage lender's license
BAN19960521 American General Finance, Inc.
To relocate a mortgage lender's office from 520 North Main Street, Emporia, VA to 550 N. Main Street, Emporia, VA
BAN19960522 American General Finance of America, Inc.
To relocate consumer finance office from 520 North Main Street, Emporia, VA to 550 North Main Street, Emporia, VA
BAN19960523 First Republic Mortgage Corporation
To relocate a mortgage lender broker's office from 827 Diligence Drive, Suite 208, Newport News, VA to 11832 Rock Landing Drive, Suite 303, Newport News, VA
BAN19960524 Centurion Financial, Ltd.
To open a mortgage broker's office at 6655 Rutledge Drive, Fairfax Station, VA
BAN19960525 Mical Mortgage, Inc.
To open a mortgage lender's office
BAN19960526 Beneficial Mortgage Co. of Virginia
To relocate a mortgage lender broker's office from 5013 West Mercury Boulevard, Hampton, VA to Coliseum Square Shopping Center, 2040 Coliseum Drive, Hampton, VA
BAN19960527 Beneficial Virginia, Inc.
To relocate consumer finance office from 5013 West Mercury Blvd., Hampton, VA to 2040 Coliseum Drive, Hampton, VA
BAN19960528 Beneficial Discount Co. of Virginia
To relocate a mortgage lender's office from 5013 West Mercury Boulevard, Hampton, VA to Coliseum Square Shopping Center, 2040 Coliseum Drive, Hampton, VA

BAN19960529 Capital Seekers Inc.
For a mortgage lender's license
BAN19960530 Ryan, Sr., Charles C.
To acquire 100 percent of Business Advisory Systems, Inc.
BAN19960531 Approved Residential Mortgage, Inc.
To open a mortgage lender and broker's office at 10688-D Crestwood Drive, Manassas, VA
BAN19960532 GMAC Mortgage Corporation of PA
To relocate a mortgage lender broker's office from 10777 Main Street, Fairfax, VA to 8614 Westwood Center Drive, Vienna, VA
BAN19960533 Chesapeake Investment & Mortgage Corporation
To open a mortgage lender and broker's office at 4E Industrial Park Drive, Waldorf, MD
BAN19960534 First Community Finance, Inc.
To relocate consumer finance office from 510-H West Broad Street, Waynesboro, VA to 1327-B West Broad Street, Waynesboro, VA
BAN19960535 Home Security Mortgage Corp.
To open a mortgage lender and broker's office at 5673 Stone Road, Centreville, VA
BAN19960536 Home Security Mortgage Corp.
To open a mortgage lender and broker's office at 8442 Old Keene Mill Road, Springfield, VA
BAN19960537 Home Security Mortgage Corp.
To open a mortgage lender and broker's office at 8100 Boone Boulevard, Tysons Corner, VA
BAN19960538 Home Security Mortgage Corp.
To open a mortgage lender and broker's office at 321 North Calvert Street, Baltimore, MD
BAN19960539 The Phoenix Financial Corporation of Virginia, Inc.
To relocate a mortgage broker's office from 3451 Brandon Avenue, Suite 28, Roanoke, VA to 1701 Grandin Road, Roanoke, VA
BAN19960540 First Savings Mortgage Corporation
To open a mortgage lender and broker's office at 310 King Street, Alexandria, VA
BAN19960541 American Financial Corp. of VA
To relocate a mortgage broker's office from 101 S Jefferson Street, Suite 400, Roanoke, VA to 5427-C Peters Creek Road, Roanoke, VA
BAN19960542 First Republic Mortgage Corporation
To open a mortgage lender and broker's office at 4456 Corporation Lane, Suite 300, Virginia Beach, VA
BAN19960543 Carteret Mortgage Corporation
To open a mortgage broker's office at 501 Slater's Lane, Suite 410, Alexandria, VA
BAN19960544 First American Mortgage Services, Inc.
To relocate a mortgage broker's office from 2131 Culpeper Drive, Woodbridge, VA to 13198 Centerpointe Way, Suite 101, Woodbridge, VA
BAN19960545 Central Virginia Bank
To open a branch at 2036 New Dorset Road, Powhatan County, VA
BAN19960546 Harbor Financial Mortgage Corporation
To relocate a mortgage lender broker's office from 3030 Duke Street, Alexandria, VA to 114 N. Alfred Street, Alexandria, VA
BAN19960547 WMS, Inc.
To open a mortgage broker's office at 4201 Northview Drive, Suite 103, Bowie, MD
BAN19960548 New America Financial Incorporated
To relocate a mortgage lender's office from 12150 Monument Drive, Suite 201, Fairfax, VA to 10300 Eaton Place, Fairfax, VA
BAN19960549 Signet Bank
To establish an EFT at 7175 Columbia Gateway Drive, Bldg. D, Columbia, MD
BAN19960550 Crestar Bank
To open a branch at southeast corner of Iron Bridge and Chalkley Roads, Chesterfield County, VA
BAN19960551 Forbes Mortgage, LLC
For a mortgage broker's license
BAN19960552 American Mortgage & Financial Services, Inc. d/b/a American Liberty Mortgage
To open a mortgage lender's office
BAN19960553 New England National Mortgage Corporation
For a mortgage lender's license
BAN19960554 United Mortgage & Financial Services, Inc.
For a mortgage broker's license
BAN19960555 K. Hovnanian Mortgage, Inc.
To open a mortgage lender and broker's office at 225 Highway #35, Navesink North Building, 2nd Floor, Red Bank, NJ
BAN19960556 K. Hovnanian Mortgage, Inc.
To relocate a mortgage lender broker's office from 1135 Kildaire Farm Road, Suite 108, Cary, NC to 3200 Wake Forest Road, Suite 200, Raleigh, NC
BAN19960557 Weyerhaeuser Mortgage Company
To open a mortgage lender and broker's office at 1003 Easy Street, Martinsburg, WV
BAN19960558 First Republic Funding Corporation (Used in VA by: First Republic Mortgage Corporation)
For a mortgage broker's license
BAN19960559 Southern Finance Corp.
To open a consumer finance office
BAN19960560 C.U. Mortgage Centre, Inc.
To relocate a mortgage broker's office from 11350 Random Hills Road, #700, Fairfax, VA to 6035 Burke Centre Parkway, Suite 200, Burke, VA
BAN19960561 American General Finance, Inc.
To relocate a mortgage lender's office from 526 Main St., South Boston, VA to 524 North Main Street, South Boston, VA
BAN19960562 U.S. Mortgage Corporation of Virginia
For a mortgage lender's license

BAN19960563 American General Finance of America Inc.
To relocate consumer finance office from 526 Main Street, South Boston, VA to 524 North Main Street, South Boston, VA
BAN19960564 Crestar Bank
To establish an EFT at Richmond International Airport, Airport Drive, Sandston, VA
BAN19960565 Money Lenders, Inc.
To relocate a mortgage broker's office from 3503 Forester Road, Roanoke, VA to 6141 Airport Road, Roanoke, VA
BAN19960566 Mortgage Edge Corporation
To open a mortgage lender and broker's office at 7611 Little River Turnpike, Ste. 402, Annandale, VA
BAN19960567 Pennywise Mortgage, Inc. d/b/a Nations Residential Mortgage
For a mortgage broker's license
BAN19960568 F & M Bank - Massanutten
To establish an EFT at 400 Augusta Avenue, Grottoes, VA
BAN19960569 Crestar Bank DC
To merge into it Crestar Bank
BAN19960570 Crestar Bank DC
To merge into it Crestar Bank MD
BAN19960571 Mortgage Bankers of Virginia, Inc.
To relocate a mortgage broker's office from 8157 Old Cavalry Drive, Suite 207, Mechanicsville, VA to 9556 Woodman Road, Richmond, VA
BAN19960572 Mortgage Factors, Inc.
To relocate a mortgage broker's office from 10310 Riverwood Drive, Potomac, MD to 9605 Reach Road, Rockville, MD
BAN19960573 Capitol Funding, Inc.
For a mortgage broker's license
BAN19960574 Virginia Educators' Credit Union
To open a credit union service office at 14838 Warwick Boulevard, Newport News, VA
BAN19960575 Mid-Atlantic Mortgage Corporation
For a mortgage broker's license
BAN19960576 CMK Corporation t/a Mortgage Capital Investors
To relocate a mortgage lender broker's office from 160 Newtown Road, Suite 301, Virginia Beach, VA to 6330 Newtown Road, Suite 301, Norfolk, VA
BAN19960577 Kevin Wayne Clowser
For a mortgage broker's license
BAN19960578 Belgravia Financial Services, L.L.C.
To open a consumer finance office
BAN19960579 Aames Funding Corporation d/b/a Aames Home Loan
To open a mortgage lender and broker's office at 3731 Wilshire Blvd., Suite 1000, Los Angeles, CA
BAN19960580 Aames Funding Corporation d/b/a Aames Home Loan
To open a mortgage lender and broker's office at 4701 Columbus Street, Virginia Beach, VA
BAN19960581 U.S.A. Financial Services, Inc.
For a mortgage broker's license
BAN19960582 Community Bank of Northern Virginia
To open a branch at 13826 Lee Highway, Centreville, VA
BAN19960583 Revolutionary Mortgage Company
To relocate a mortgage broker's office from 845 K & L Quince Orchard Blvd., Gaithersburg, MD to 843-I Quince Orchard Blvd., Gaithersburg, MD
BAN19960584 Century National Bank
To open a branch at 8201 Greensboro Drive, McLean, VA
BAN19960585 Community Mortgage Corporation
To relocate a mortgage broker's office from 3516 Plank Road, Suite 1, Fredericksburg, VA to 1220 Lakeview Parkway, Lake of the Woods, Locust Grove, VA
BAN19960586 Statestreet Mortgage Corporation of Virginia
To open a mortgage lender and broker's office at 554 North Main Street, Suite 205, South Boston, VA
BAN19960587 Virtual Mortgage Network of Virginia, Inc.
For a mortgage broker's license
BAN19960588 United Southern Mortgage Corporation of Roanoke, Inc.
To open a mortgage lender and broker's office at 7938 Ellet Road, Springfield, VA
BAN19960589 United Companies Funding, Inc.
To open a mortgage lender's office
BAN19960590 Signet Bank
To relocate office from 790 West North Avenue, Baltimore, MD to 2500 Pennsylvania Avenue, Baltimore, MD
BAN19960591 Unity Mortgage Corp.
For a mortgage lender's license
BAN19960592 Consumer Credit Counseling Service of Virginia, Inc. d/b/a Credit Counselors - Tidewater
To relocate a debt counseling office from 1128 North Battlefield Blvd., Chesapeake, VA to 1417 N. Battlefield Blvd., Suite 295, Chesapeake, VA
BAN19960593 American Bankers Mortgage Corporation
To relocate a mortgage broker's office from 1363 Garden Wall Circle, Reston, VA to 172-24 Kendrick Place, Gaithersburg, MD
BAN19960594 Advanta Finance Corp.
To open a mortgage lender's office at 5115 Bernard Drive, Suite 102, Roanoke, VA
BAN19960595 Merion Group, L.C., The
For a mortgage lender's license

BAN19960596 Capital Seekers, Inc.
To relocate a mortgage broker's office from 1 Zilicoa Street, Asheville, NC to 311 Montford Avenue, Asheville, NC
BAN19960597 Frye, Deborah Kay
For a mortgage broker's license
BAN19960598 Eastern Fidelity Mortgage Corporation
To relocate a mortgage broker's office from 6136 Peters Creek Road, NW, Suite G, Roanoke, VA to 6342 Peters Creek Road, NW, Suite B, Roanoke, VA
BAN19960599 Security Pacific Financial Services, Inc.
To relocate consumer finance office from 1368 Old Bridge Road, Suite 101, Woodbridge, VA to 13265 Worth Avenue, Woodbridge, VA
BAN19960600 Aames Financial Corporation
To acquire 100 percent of One Stop Mortgage, Inc.
BAN19960601 Comdata Network, Inc.
For a money order license
BAN19960602 Carolina Mortgage Brokers, Inc. d/b/a CMB Mortgage
To open a mortgage lender and broker's office at 3536 Brambleton Avenue, Suite 2, Roanoke, VA
BAN19960603 Fidelity First Mortgage, LLC d/b/a Union First Funding Group
To open a mortgage lender and broker's office at 11400 Commerce Park Drive, Suite 160, Reston, VA
BAN19960604 Fidelity First Mortgage, LLC d/b/a Union First Funding Group
To open a mortgage lender and broker's office at 6411 Ivy Lane, Suite 300, Greenbelt, MD
BAN19960605 Halterman, II, Richard K. d/b/a Prime Financial Services
For a mortgage broker's license
BAN19960606 F & M Bank - Winchester
To establish an EFT at southwest corner of U.S. Route211 and Cadet Road, New Market, VA
BAN19960607 North American Mortgage Company
To relocate a mortgage lender's office from 1057 Saint Ignatius Drive, Suite 115, Waldorf, MD to 25 High Street, Suite 115, Waldorf, MD
BAN19960608 Citizens Bank of Virginia
To relocate office from 11600 Plaza America Drive, Reston, VA to 11690 Plaza America Drive, Reston, VA
BAN19960609 Central Virginia Bank
To open a branch at north side of U.S. Route 60, 1/2 mile southwest of State Route 19, Cumberland County, VA
BAN19960610 Crestar Bank
To open a branch at 4816 South Laburnum Avenue, Henrico County, VA
BAN19960611 Crestar Bank
To open a branch at 10921 Hull Street Road, Midlothian, VA
BAN19960612 Crestar Bank
To open a branch at 1851 West Main Street, Salem, VA
BAN19960613 Crestar Bank
To open a branch at 9480 West Broad Street, Henrico County, VA
BAN19960614 Crestar Bank
To open a branch at 11400 West Huguenot Road, Midlothian, VA
BAN19960615 Nationsfirst Mortgage Corporation
To open a mortgage lender and broker's office at 468 Investors Place, Suite 100, Virginia Beach, VA
BAN19960616 DecisionOne Mortgage Company, LLC
To relocate a mortgage lender's office from 6109 Brace Road, Charlotte, NC to 4601 Park Road, Suite 500, Charlotte, NC
BAN19960617 Citizens Mortgage Corporation
To relocate a mortgage lender broker's office from Route 2, Box 45A, Goode, VA to 3831 Old Forest Road, Suite 6, Lynchburg, VA
BAN19960618 Crestar Bank
To establish an EFT at 1000 Semmes Avenue, Richmond, VA
BAN19960619 Bank of Rockbridge
To establish an EFT at Virginia Military Institute, Lejeune Hall, Lexington, VA
BAN19960620 Bank of Alexandria, The
To establish an EFT at 118 King Street, Alexandria, VA
BAN19960621 Transouth Mortgage Corporation
To open a mortgage lender's office at 225 Parker Road, Danville, VA
BAN19960622 Transouth Financial Corporation
To open a consumer finance office
BAN19960623 Transouth Financial Corporation
To conduct property insurance business where other business will also be conducted
BAN19960624 Transouth Financial Corporation
To conduct sales finance business where other business will also be conducted
BAN19960625 Transouth Financial Corporation
To conduct floor plan lending where other business will also be conducted
BAN19960626 Transouth Financial Corporation
To conduct open-end lending where other business will also be conducted
BAN19960627 Transouth Financial Corporation
To conduct mortgage lending where other business will also be conducted
BAN19960628 Trinh, Asa T.
To acquire 100 percent of Vina Mortgage & Investment Company
BAN19960629 GMAC Mortgage Corporation of PA
To open a mortgage lender and broker's office at 7202 Glen Forest Drive, Richmond, VA
BAN19960630 GMAC Mortgage Corporation of PA
To open a mortgage lender and broker's office at 631 Berkmar Circle, Charlottesville, VA

BAN19960631 American Financial Enterprises, Inc.
To relocate a mortgage broker's office from 11350 Random Hills Road, Suite 200, Fairfax, VA to 12133 Wolf Valley Drive, Clifton, VA
BAN19960632 Mortgage Quest, Incorporated
For a mortgage broker's license
BAN19960633 First Virginia Bank-Colonial
To merge into it First Virginia Bank-South Hill
BAN19960634 F&M Bank-Northern Virginia
To establish an EFT at 9311 Lee Avenue, Manassas, VA
BAN19960635 Block Mortgage Company, L.L.C.
To relocate a mortgage lender's office from 5445 Glenside Drive, Suite 201, Richmond, VA to 4435 Main Street, Suite 500, Kansas City, MO
BAN19960636 Fidelity Funding Mortgage Corp.
For a mortgage lender's license
BAN19960637 Heritage Funding, L.L.C.
For a mortgage lender's license
BAN19960638 Columbia National, Incorporated
To open a mortgage lender and broker's office at The Arboretum, 300 Arboretum Place, Suite 140, Richmond, VA
BAN19960639 First Rate Mortgage Corporation
For a mortgage broker's license
BAN19960640 National Finance Corporation
For a mortgage lender's license
BAN19960641 Apple Tree Mortgage, Inc.
For a mortgage broker's license
BAN19960642 Brunswick Mortgage Company, Inc.
To relocate a mortgage broker's office from 9316 A Old Keene Mill Road, Burke, VA to 6712 Greenview Lane, Springfield, VA
BAN19960643 Highland County Bankshares, Inc.
To acquire First and Citizens Bank, Monterey, VA
BAN19960644 Countrywide Home Loans, Inc. d/b/a America's Wholesale Lender
To open a mortgage lender's office at 3524 Academy Avenue, Suite 25, Portsmouth, VA
BAN19960645 Wholesale Mortgage, Inc.
To open a mortgage lender's office
BAN19960646 Mortgage Access Corp.
To open a mortgage lender's office at 1355 Beverly Road, McLean, VA
BAN19960647 Mortgage Access Corp.
To open a mortgage lender's office at 7210 Old Keene Mill Road, Springfield, VA
BAN19960648 Mortgage Access Corp.
To open a mortgage lender's office at 14520 Smoketown Road, Woodbridge, VA
BAN19960649 Mortgage Access Corp.
To open a mortgage lender's office at 731 A Walker Road, Great Falls, VA
BAN19960650 Armada Residential Mortgage, L.L.C.
For a mortgage lender's license
BAN19960651 Mortgage Investment Corporation
To relocate a mortgage lender broker's office from 7501 Boulders View Drive, Richmond, VA to 1100 Boulders Parkway, Suite 202, Richmond, VA
BAN19960652 Nationwide Mortgage Group, Inc.
To relocate a mortgage broker's office from 10615 Judicial Drive, Suite 603, Fairfax, VA to 10301 Democracy Lane, Suite 120, Fairfax, VA
BAN19960653 Bank of Fincastle, The
To establish an EFT at Quickette Market, U.S. Route 220 North, Fincastle, VA
BAN19960654 Security Bank Corporation
To open a branch at 7813 Sudley Road, Prince William County, VA
BAN19960655 Money Store/D.C., Inc., The,
To open a mortgage lender and broker's office at 1800 Roswell Road, Marietta, GA
BAN19960656 Yates, John H.
For a mortgage broker's license
BAN19960657 First Bankers Mortgage Services, Inc.
For a mortgage lender's license
BAN19960658 Coastal Mortgage Corporation of Maryland
For a mortgage lender's license
BAN19960659 First Virginia Bank-Blue Ridge
To establish an EFT at 1617 E. Market Street, Harrisonburg, VA
BAN19960660 First Virginia Bank-Blue Ridge
To establish an EFT at 710 Port Republic Road, Harrisonburg, VA
BAN19960661 U. S. Mortgage Capital, Inc.
To open a mortgage lender and broker's office at 10306 Eaton Place, Suite 120, Fairfax, VA
BAN19960662 Martelino, Millie A. t/a Global Mortgage Resources
To relocate a mortgage broker's office from Commonwealth Office Building, Fredericksburg, VA to Miracle Building, 7011 Calamo Street, Suite 211, Springfield, VA
BAN19960663 F & M Bank - Massanutten
To establish an EFT at U.S. Route 11 and State Route 256, Augusta County, VA

BAN19960664 Express Mortgage Corp. of Virginia
For a mortgage lender's license
BAN19960665 PHH Mortgage Services Corporation
To relocate a mortgage lender broker's office from 2009 Huguenot Road, Richmond, VA to 13356 Midlothian Turnpike, Midlothian, VA
BAN19960666 Plymouth Capital Company, Inc.
To relocate a mortgage lender's office from 4700 Nathan Lane, Plymouth, MN to 99 Realty Drive, Cheshire, CT
BAN19960667 First Discount Mortgage, Inc.
To relocate a mortgage broker's office from 2809 S. Lynnhaven Road, Suite 320, Virginia Beach, VA to 2265 Kindling Hollow Road, Virginia Beach, VA
BAN19960668 Access Financial Lending Corp.
To open a mortgage lender's office
BAN19960669 F & M Bank-Emporia
To establish an EFT at 1589 Skippers Road, Greensville County, VA
BAN19960670 GMAC Mortgage Corporation of PA
To open a mortgage lender and broker's office at 7701 Timberlake Road, Lynchburg, VA
BAN19960671 Transouth Mortgage Corporation
To open a mortgage lender's office at Forestdale Center, Route 5, Box 1168, Forest, VA
BAN19960672 Transouth Financial Corporation
To open a consumer finance office
BAN19960673 Transouth Financial Corporation
To conduct property insurance business where other business will also be conducted
BAN19960674 Transouth Financial Corporation
To conduct sales finance business where other business will also be conducted
BAN19960675 Transouth Financial Corporation
To conduct floor plan lending where other business will also be conducted
BAN19960676 Transouth Financial Corporation
To conduct open-end lending where other business will also be conducted
BAN19960677 Transouth Financial Corporation
To conduct mortgage lending where other business will also be conducted
BAN19960678 Res-Comm Mortgage Company, Inc.
For a mortgage broker's license
BAN19960679 First-Citizens Bank & Trust Company
To open a branch at 5301 Bernard Drive, Roanoke County, VA
BAN19960680 Mortgage Factors, Inc.
To relocate a mortgage broker's office from 9605 Reach Road, Rockville, MD to 7800 Kachina Lane, Bethesda, MD
BAN19960681 Oakwood Acceptance Corporation d/b/a Nationwide Mortgage Company
To relocate a mortgage lender broker's office from 2225 South Holden Rd., Greensboro, NC to 7800 McCloud Rd., Greensboro, NC
BAN19960682 Home Mortgage Center, Inc.
To relocate a mortgage lender broker's office from 4900 Seminary Road, Suite 203, Alexandria, VA to 3339 Duke Street, Alexandria, VA
BAN19960683 Citywide Mortgage Corporation
For a mortgage lender's license
BAN19960684 Primerica Financial Services Home Mortgages, Inc.
To open a mortgage lender and broker's office at 432 Mill Creek Road, Luray, VA
BAN19960685 Home Mortgage & Investment Company
To open a mortgage broker's office at 4405 Cox Road, Suite 110, Glen Allen, VA
BAN19960686 Weyerhaeuser Mortgage Company
To open a mortgage lender and broker's office at 14500 Avion Parkway, Suite 310, Chantilly, VA
BAN19960687 Associates Financial Services Company of Tennessee, Inc.
To open a mortgage lender's office
BAN19960688 Bancorp Mortgage Corporation
To relocate a mortgage broker's office from 8111 Poplar Grove Drive, Warrenton, VA to 5813 Fitzhugh Street, Burke, VA
BAN19960689 America's Mortgage Source, Inc.
For a mortgage broker's license
BAN19960690 Weyerhaeuser Mortgage Company
To open a mortgage lender and broker's office at 1775 Pyramid Place, Suite 105, Memphis, TN
BAN19960691 Weyerhaeuser Mortgage Company
To open a mortgage lender and broker's office at 8880 Rio San Diego Drive, Suite 400, San Diego, CA
BAN19960692 Bank of Southside Virginia, The
To establish an EFT at 5201 Oaklawn Boulevard, Hopewell, VA
BAN19960693 United National Mortgage Corporation
To open a mortgage lender's office
BAN19960694 Associates Mortgage Services, Inc.
To open a mortgage lender's office
BAN19960695 H&R Block, Inc.
To acquire 100 percent of Block Mortgage Company, L.L.C.
BAN19960696 Child and Family Service of Southwest Hampton Roads, Inc.
To open an additional debt counseling office at 1021 Eden Way North, Suite 130, Chesapeake, VA
BAN19960697 ContiMortgage Corporation
To open a mortgage lender's office at 201 Gibraltar Road, Suite 210, Horsham, PA
BAN19960698 Save-X, U.S.A., Inc.
To open a check casher at 1708 Williamson Road, Roanoke, VA

BAN19960699 K Mortgage Corporation
For a mortgage lender's license
BAN19960700 NationsTrust Mortgage Corporation
For a mortgage broker's license
BAN19960701 East Coast Funding, Inc.
To open a mortgage broker's office at 137 Spotsylvania Mall, Fredericksburg, VA
BAN19960702 F & M Bank - Central Virginia
To establish an EFT at 1220 Seminole Trail, Albemarle County, VA
BAN19960703 Planters Bank & Trust Company of Virginia
To establish an EFT at 600 North Coalter Street, Staunton, VA
BAN19960704 Crestar Bank
To establish an EFT at Fort Lee Main Exchange Shopping Center, Fort Lee Military Installation, Fort Lee, VA
BAN19960705 F & M Bank-Peoples
To establish an EFT at 5171 Lee Highway, New Baltimore, VA
BAN19960706 F & M Bank-Peoples
To establish an EFT at 4662 Catlett Road, Midland, VA
BAN19960707 F & M Bank-Peoples
To establish an EFT at 14630 Lee Highway, Amissville, VA
BAN19960708 Leland Financial Services, Inc.
To open a mortgage broker's office at 101 East Water Street, Suite 111, Charlottesville, VA
BAN19960709 All Mortgage Connections, Inc.
For a mortgage broker's license
BAN19960710 Pacific Finance Loans d/b/a Transamerica Credit Corporation
To relocate a mortgage lender's office from 4600 Cox Road, Glen Allen, VA to 10900 Nuckols Road, Glen Allen, VA
BAN19960711 Capital Bank, N.A.
To open a branch at 2230 Gallows Road, Fairfax, VA
BAN19960712 Excel Funding Corporation
To relocate a mortgage broker's office from 9900 Main Street Plaza, Suite 101, Fairfax, VA to 9840 Main Street, Suite 200, Fairfax, VA
BAN19960713 American General Finance, Inc.
To relocate a mortgage lender's office from Louisa Market Place, Louisa, VA to 501 East Main Street, Suite 112, Louisa, VA
BAN19960714 American General Finance of America, Inc.
To relocate consumer finance office from Louisa Marketplace, Louisa County, VA to 501 East Main Street, Suite 112, Louisa County, VA
BAN19960715 Paul Silverstein Associates Co. t/a Monumental Mortgage Company
To relocate a mortgage broker's office from 2116 Dabney Road, Suite A-4, Richmond, VA to 5310 Markel Road, Richmond, VA
BAN19960716 Carolina Mortgage Brokers, Inc. d/b/a CMB Mortgage
To open a mortgage lender and broker's office at 3536 Brambleton Avenue, Suite 2, Roanoke, VA
BAN19960717 Virginia Financial Corporation
To acquire Planters Bank & Trust Company of Virginia
BAN19960718 Advanta Finance Corp.
To open a mortgage lender's office at 5115 Bernard Drive, Suite 102, Roanoke, VA
BAN19960719 Crestar Bank DC
To open a branch at 1790 East Market Street, Harrisonburg, VA
BAN19960720 Weyerhaeuser Mortgage Company
To open a mortgage lender and broker's office at 1551 N. Tustin Avenue, Suite 670, Santa Ana, CA
BAN19960721 Beneficial Virginia, Inc.
To relocate consumer finance office from Festival at Manassas Plaza, Manassas, VA to Festival at Manassas10376 Festival Lane, Prince William County, VA
BAN19960722 Beneficial Discount Co. of Virginia
To relocate a mortgage lender's office from 10384 Festival Lane, Manassas, VA to Festival at Manassas10376 Festival Lane, Manassas, VA
BAN19960723 Beneficial Mortgage Co. of Virginia
To relocate a mortgage lender broker's office from 10384 Festival Lane, Manassas, VA to Festival at Manassas10376 Festival Lane, Manassas, VA
BAN19960724 Mortgage Corporation, The
For a mortgage broker's license
BAN19960725 Security Pacific Financial Services, Inc.
To relocate consumer finance office from 700 East Main Street, Suite 906, Richmond, VA to 7801 West Broad Street, Henrico County, VA
BAN19960726 Integrity Mortgage and Finance, Inc.
To relocate a mortgage broker's office from 7564 Standish Place, Suite 100, Rockville, MD to 7564 Standish Place, Suite 123, Rockville, MD
BAN19960727 First Virginia Bank
To establish an EFT at Dulles Airport Marriott, 333 West Service Road, Loudoun County, VA
BAN19960728 Coastal Mortgage Corporation
To relocate a mortgage broker's office from 10615 Judicial Drive, Suite 702, Fairfax, VA to 10301 Democracy Lane, Suite 110, Fairfax, VA
BAN19960729 First Republic Mortgage Corporation
To open a mortgage lender and broker's office at 9210 Corporate Boulevard, Suite 160, Rockville, VA
BAN19960730 Crestar Financial Corporation
To acquire Citizens Bancorp

BAN19960730 Crestar Financial Corporation
To acquire Citizens Bank of Maryland, Vienna, VA
BAN19960731 First Home Acceptance Mortgage Corporation
For a mortgage lender's license
BAN19960732 Crosstate Mortgage & Investments, Inc.
To open a mortgage broker's office at 806 Newtown Road, Virginia Beach, VA
BAN19960733 Harbor Financial Mortgage Corporation
To relocate a mortgage lender broker's office from 12120 Sunset Hills Road, Suite 150, Reston, VA to 11250 Waples Mill Road, Suite 310, Fairfax, VA
BAN19960734 Mortgage Edge Corporation
To open a mortgage lender and broker's office at 6849 Old Dominion Drive, McLean, VA
BAN19960735 North American Mortgage Company
To open a mortgage lender's office at 2809 South Lynnhaven Road, Suite 320, Virginia Beach, VA
BAN19960736 Mortgage Specialist, Inc.
For a mortgage broker's license
BAN19960737 F & M Bank - Winchester
To establish an EFT at 1502 Orkney Grade, Bayse, VA
BAN19960738 F & M Bank - Winchester
To establish an EFT at 60 Stoney Creek Road, Edinburg, VA
BAN19960739 F & M Bank - Winchester
To establish an EFT at 250 Conicville Road, Mount Jackson, VA
BAN19960740 Senko Financial Services, Inc.
For a mortgage broker's license
BAN19960741 DMR Financial Services, Inc.
To open a mortgage lender's office
BAN19960742 Deutsche Financial Capital Limited Liability Company
To open a mortgage lender's office
BAN19960743 First Greensboro Home Equity, Inc.
To relocate a mortgage lender broker's office from 7331 Timberlake Road, Suite 201, Lynchburg, VA to 7331 Timberlake Road, Suite 203, Lynchburg, VA
BAN19960744 Federal Home Funding Corporation
To relocate a mortgage broker's office from 900 University Boulevard, West, Silver Spring, MD to 11124 Nicholas Drive, Silver Spring, MD
BAN19960745 F & M Bank - Winchester
To establish an EFT at 502 South King Street, Leesburg, VA
BAN19960746 F & M Bank - Winchester
To establish an EFT at 7 East Gerrard Street, Winchester, VA
BAN19960747 F & M Bank - Winchester
To establish an EFT at 1544 Martinsburg Pike, Frederick County, VA
BAN19960748 F & M Bank - Winchester
To establish an EFT at 4697 John Marshall Road, Linden, VA
BAN19960749 F & M Bank - Winchester
To establish an EFT at Route 2, Box 4535, Berryville, VA
BAN19960750 F & M Bank - Winchester
To establish an EFT at 10178 Winchester Road, Front Royal, VA
BAN19960751 Crestar Bank DC
To relocate office from 2 N. Charles Street, Baltimore, MD to 120 East Baltimore Street, Baltimore, MD
BAN19960752 Crestar Bank DC
To relocate office from 445 11th Street, N.W., Washington, DC to 555 12th Street, N.W., Washington, DC
BAN19960753 First Meridian Mortgage Corporation
For a mortgage broker's license
BAN19960754 Chesapeake 1st Mortgage Corporation (Used in VA by Chesapeake Mortgage Corporation)
To relocate a mortgage broker's office from 15009 Athey Road, Burtonsville, MD to 9315 Largo Drive West, Suite 225, Landover, MD
BAN19960755 Money Lenders, Inc.
To relocate a mortgage broker's office from 6141 Airport Road, Roanoke, VA to 1200-B Electric Road, Salem, VA
BAN19960756 F & M Bank - Massanutten
To establish an EFT at 261 Lee Street, Broadway, VA
BAN19960757 F & M Bank - Massanutten
To establish an EFT at 1010 W. Market Street, Harrisonburg, VA
BAN19960758 F & M Bank - Massanutten
To establish an EFT at 953 High Street, Harrisonburg, VA
BAN19960759 F & M Bank - Massanutten
To establish an EFT at 121 N. Main Street, Bridgewater, VA
BAN19960760 Bankers First Mortgage Co., Inc.
For a mortgage lender's license
BAN19960761 Piedmont Credit Union
To relocate a credit union office to 403 Kings Mountain Road, Collinsville, VA
BAN19960762 Union Bank and Trust Company
To open a branch at 4690 Pouncey Tract Road, Glen Allen, VA
BAN19960763 Beneficial Discount Co. of Virginia
To relocate a mortgage lender's office from 6911 Richmond Highway, Suite 102, Alexandria, VA to 5908 N. Kings Highway, Huntington Station, Alexandria, VA

BAN19960764 Beneficial Virginia, Inc.
To relocate consumer finance office from Beacon Hill Building, Fairfax County, VA to 5908 N. Kings Highway, Huntington Station, Fairfax County, VA
BAN19960765 Transamerica Financial Services, Inc.
To relocate consumer finance office from 4600 Cox Road, Glen Allen, VA to 10900 Nuckols Road, Glen Allen, VA
BAN19960766 Tripodi, James
For a mortgage broker's license
BAN19960767 Beneficial Mortgage Co. of Virginia
To relocate a mortgage lender broker's office from 6911 Richmond Highway, Suite 102, Alexandria, VA to 5908 N. Kings Highway, Huntington Station, Alexandria, VA
BAN19960768 Clark Financial Services, Inc.
To relocate a mortgage lender broker's office from 9320 Annapolis Road, Suite 200, Lanham, MD to 10230 New Hampshire Avenue, Suite 350, Silver Spring, MD
BAN19960769 Lecky, John H.
For a mortgage broker's license
BAN19960770 Central Government Mortgage, Inc.
For a mortgage broker's license
BAN19960771 Colonial Mortgage Corporation
To relocate a mortgage broker's office from 3055 Prosperity Avenue, Suite 225, Fairfax, VA to 8529 Crestview Drive, Fairfax, VA
BAN19960772 Advanced Financial Services, Inc.
To relocate a mortgage lender broker's office from 56 Amaral Street, East Providence, RI to 25 Enterprise Center, Newport, RI
BAN19960773 Weyerhaeuser Mortgage Company
To relocate a mortgage lender broker's office from 1551 N. Tustin Avenue, Suite 670, Santa Ana, CA to 1551 N. Tustin Avenue, Suite 650, Santa Ana, CA
BAN19960774 F & M Bank - Richmond
To open a branch at 6980 Forest Hill Avenue, Richmond, VA
BAN19960775 Block Mortgage Company, L.L.C.
To relocate a mortgage lender's office from 5445 Glenside Drive, Suite 201, Richmond, VA to 4435 Main Street, Suite 500, Kansas City, MO
BAN19960776 F & M Bank-Peoples
To establish an EFT at 432 Garrisonville Road, Suite 10, Garrisonville, VA
BAN19960777 F & M Bank-Peoples
To establish an EFT at 201 Jefferson Davis Highway, Fredericksburg, VA
BAN19960778 F & M Bank-Peoples
To establish an EFT at 10900 Courthouse Road, Spotsylvania County, VA
BAN19960779 F & M Bank-Peoples
To establish an EFT at 9719 James Madison Highway, Warrenton, VA
BAN19960780 F & M Bank-Peoples
To establish an EFT at 1113 James Monroe Highway, Culpeper County, VA
BAN19960781 F & M Bank-Peoples
To establish an EFT at 10520 James Madison Highway, Edgehill, VA
BAN19960782 F & M Bank-Peoples
To establish an EFT at 8902 Courthouse Road, Spotsylvania County, VA
BAN19960783 F & M Bank-Peoples
To establish an EFT at 15250 Washington Street, Haymarket, VA
BAN19960784 First Republic Mortgage Corporation
To open a mortgage lender and broker's office at 9210 Corporate Boulevard, Suite 360, Rockville, MD
BAN19960785 Lindley Mortgage Corporation
To relocate a mortgage broker's office from 12120 Sunset Hills Road, Suite 150, Reston, VA to 11250 Waples Mill Road, Suite 310, Fairfax, VA
BAN19960786 First Heritage Mortgage Company
To relocate a mortgage broker's office from 2323 Riverside Drive, Suites L & O, Danville, VA to 105 S. Union Street, Suite 711, Masonic Building, Danville, VA
BAN19960787 Bank of Botetourt
To establish an EFT at Creekside Market, 8201 Williamson Road, Roanoke County, VA
BAN19960788 Bank of Tidewater, The
To open a branch at 2251 W. Great Neck Road, Virginia Beach, VA
BAN19960789 Mego Mortgage Corporation
To relocate a mortgage lender's office from 210 Interstate North Parkway, Atlanta, GA to 1000 Parkwood Circle, 5th Floor, Atlanta, GA
BAN19960790 Block Mortgage Company, L.L.C.
To open a mortgage lender's office at 5001 W. Broad Street, Richmond, VA
BAN19960791 Block Mortgage Company, L.L.C.
To open a mortgage lender's office at Ashland-Hanover Shopping Center, 201 North Washington Highway, Ashland, VA
BAN19960792 Block Mortgage Company, L.L.C.
To open a mortgage lender's office at 11710-H Jefferson Avenue, Newport News, VA
BAN19960793 Block Mortgage Company, L.L.C.
To open a mortgage lender's office at 113 Wadsworth Drive, Richmond, VA
BAN19960794 Block Mortgage Company, L.L.C.
To open a mortgage lender's office at 12609 Jefferson Davis Highway, Chester, VA
BAN19960795 Block Mortgage Company, L.L.C.
To open a mortgage lender's office at Brookville Plaza,1803-D Timberlake Road, Lynchburg, VA

BAN19960796 Block Mortgage Company, L.L.C.
To open a mortgage lender's office at Albermarle Square, 1715-A Seminole Trail, Charlottesville, VA
BAN19960797 Block Mortgage Company, L.L.C.
To open a mortgage lender's office at 1641 Hilltop West Shopping Center, Virginia Beach, VA
BAN19960798 Block Mortgage Company, L.L.C.
To open a mortgage lender's office at Woodford Square,701-O N. Battlefield Boulevard, Chesapeake, VA
BAN19960799 Block Mortgage Company, L.L.C.
To open a mortgage lender's office at 3568 Electric Road, Roanoke, VA
BAN19960800 Hines, W. Mitchell
For a mortgage broker's license
BAN19960801 Consumer Credit Counseling Service of Virginia, Inc. d/b/a Credit Counselors - Tidewater
To open an additional debt counseling office at Giant Square Shopping Center,717 Independence Blvd., Suite 207, Virginia Beach, VA
BAN19960802 Southern Pacific Funding Corporation
To open a mortgage lender's office
BAN19960803 MorCap, Inc.
For a mortgage broker's license
BAN19960804 A. Anderson Scott Mortgage Group, Incorporated
For a mortgage broker's license
BAN19960805 White Financial Ventures, Inc. d/b/a Action Mortgage
To relocate a mortgage broker's office from 609 East Main Street, Unit P, Purcellville, VA to 741 East Main Street, Purcellville, VA
BAN19960806 Household Realty Corporation d/b/a Household Realty Corporation of Virginia
To relocate a mortgage lender broker's office from 619 West Main Street, Danville, VA to 413 Mt. Cross Road, Madison Square Shopping Center., Suite 106, Danville, VA
BAN19960807 Inzaina, Tommy C. and Edith A. t/a Advantage Mortgage Group NLP&A
To open a mortgage broker's office at 204 N. Main Street, Suite 212, Hopewell, VA
BAN19960808 Southern National Corporation
To acquire Fidelity Financial Bankshares Corporation
BAN19960809 Highlands Union Bank
To open a branch at 1425 North Main Street, Marion, VA
BAN19960810 Green Tree Financial Servicing Corporation
To relocate a mortgage lender's office from 2333 MacCorkle Avenue, S.W., St. Albans, WV to 418 Goff Mountain Road, Suite 201, Cross Lanes, WV
BAN19960811 Source One Mortgage Services Corporation
To relocate a mortgage lender broker's office from 3028 Javier Rd., Suite 210, Fairfax, VA to 3028 Javier Rd., Suite 403, Fairfax, VA
BAN19960812 Associated Financial Group, Incorporated
To open a mortgage lender and broker's office at 396 South Witchduck Road, Suite 204, Virginia Beach, VA
BAN19960813 Mortgage Resources Incorporated
To relocate a mortgage broker's office from 7015 Old Keene Mill Rd., Suite 201, Springfield, VA to 6406 Brentford Drive, Springfield, VA
BAN19960814 Emergent Mortgage Corp.
To relocate a mortgage lender's office from 207 Garvin Street, Pickens, SC to 50 Datastream Plaza, Greenville, SC
BAN19960815 Prestige Financial Services Corporation
To relocate a mortgage broker's office from 2310 NW 3rd Avenue, Suite 6, Pompano Beach, FL to 1287 E. Newport Center Drive, Suite 203, Deerfield Beach, FL
BAN19960816 Crestar Bank
To establish an EFT at 11160 Viers Mill Road, Wheaton, MD
BAN19960817 Bank of Marion, The
To establish an EFT at 1193 North Main Street, Marion, VA
BAN19960818 First-Citizens Bank & Trust Company
To open a branch at 970 Hardy Road, Vinton, VA
BAN19960819 GMAC Mortgage Corporation of PA
To relocate a mortgage lender broker's office from 7701 Timberlake Road, Lynchburg, VA to 7335 Timberlake Road, Lynchburg, VA
BAN19960820 Collinbrook Mortgage Corporation
For a mortgage broker's license
BAN19960821 Mortgage Choice, Inc.
For a mortgage lender's license
BAN19960822 Manila Forwarders Corporation
For a money order license
BAN19960823 AMRESCO Residential Mortgage Corporation
To acquire 100 percent of Express Funding, Inc.
BAN19960824 Centura Bank
To open a branch at 201 East Little Creek Road, Norfolk, VA
BAN19960825 Centura Bank
To open a branch at 4692 Columbus Street, City of Virginia Beach, VA
BAN19960826 Centura Bank
To open a branch at Princess Anne Road and Lynnhaven Parkway, Virginia Beach, VA
BAN19960827 Centura Bank
To open a branch at Shore Drive and Northampton Boulevard, Virginia Beach, VA
BAN19960828 Mortgage Associates of Virginia, Inc.
For a mortgage broker's license

BAN19960829 First Home Mortgage Corporation
To relocate a mortgage lender broker's office from 770 Ritchie Highway, Severna Park, MD to 1127 W. Benfield Boulevard, Suite M, Millersville, MD
BAN19960830 Fairfax Mortgage Investments, Inc.
To open a mortgage lender and broker's office at 312 Tabb Lakes Drive, Yorktown, VA
BAN19960831 Credit Depot Corporation of Virginia
To open a mortgage lender's office
BAN19960832 Pinnacle Residential Mortgage Corporation
For a mortgage broker's license
BAN19960833 Elite Funding Corporation
For a mortgage lender's license
BAN19960834 Heritage Bank & Trust
To open a branch at 4807 Colley Avenue, Norfolk, VA
BAN19960835 NovaStar Mortgage, Inc.
To open a mortgage lender's office
BAN19960836 Atlantic Bay Mortgage Group, L.L.C.
For a mortgage broker's license
BAN19960837 Ryland Mortgage Company t/a RMC Mortgage Corp.
To open a mortgage lender and broker's office at 2191 Defense Highway, Suite 222, Crofton, MD
BAN19960838 1st Innovative Mortgage Corporation
To relocate a mortgage lender broker's office from 6564 Loisdale Court, Suite 815, Springfield, VA to 3311 Rollingwood Drive, Woodbridge, VA
BAN19960839 Forbes Mortgage LLC
For a mortgage broker's license
BAN19960840 Money Management by Mail, L.L.C.
To open a debt counseling office
BAN19960841 Bank of Alexandria, The
To establish an EFT at 1320 Braddock Place, Alexandria, VA
BAN19960842 FFR Mortgage Company, LLC
For a mortgage broker's license
BAN19960843 America's MoneyLine, Inc.
To open a mortgage lender's office
BAN19960844 American General Finance, Inc.
To relocate a mortgage lender's office from 2307 East Washington St., Petersburg, VA to 316 Cavalier Square, Hopewell, VA
BAN19960845 American General Finance of America, Inc.
To relocate consumer finance office from 2307 East Washington Street, Petersburg, VA to 316 Cavalier Square, Hopewell, VA
BAN19960846 BMIC Mortgage, Inc.
For a mortgage broker's license
BAN19960847 Transamerica Mortgage Company
To open a mortgage lender's office
BAN19960848 Atlantic Coast Capital, Inc.
To relocate a mortgage broker's office from 2613 Gaylord Road, Roanoke, VA to 3109 Brambleton Avenue, Suite 200, Roanoke, VA
BAN19960849 Metfund Mortgage Corporation
To relocate a mortgage broker's office from 7799 Leesburg Pike, Suite 101 South, Tysons Corner, VA to 6723 Whittier Avenue, Suite 406, McLean, VA
BAN19960850 Fortune Mortgage Banking Company
To relocate a mortgage broker's office from 416 Hungerford Drive, Suite 216, Rockville, MD to 416 Hungerford Drive, Suite 300, Rockville, MD
BAN19960851 American Mortgage Associates, L.P.
To open a mortgage lender's office
BAN19960852 Consumer Security Mortgage, Inc.
For a mortgage lender's license
BAN19960853 Countryside Mortgage Services, Inc.
To relocate a mortgage broker's office from 1555 Wilson Blvd., #300, Arlington, VA to 2111 Wilson Boulevard, Suite 809, Arlington, VA
BAN19960854 CTX Mortgage Company
To open a mortgage lender and broker's office at 860 Greenbrier Circle, Suite 103, Chesapeake, VA
BAN19960855 GMAC Mortgage Corporation of PA
To open a mortgage lender and broker's office at 3247 Electric Road, Cave Spring Professional Park, Roanoke, VA
BAN19960856 Approved Residential Mortgage, Inc.
To open a mortgage lender and broker's office at 500 Central Drive, Suite 108, Virginia Beach, VA
BAN19960857 F & M Bank - Richmond
To establish an EFT at 7274 Mechanicsville Turnpike, Mechanicsville, VA
BAN19960858 F&M Bank-Northern Virginia
To open a branch at 7900 Sudley Road, Prince William County, VA
BAN19960859 JGS & Associates, Inc.
For a mortgage broker's license
BAN19960860 American Mortgage Reduction, Inc.
For a mortgage lender's license
BAN19960861 Accubanc Mortgage Corporation
To open a mortgage lender and broker's office at 8330 Boone Boulevard, Suite 430, Vienna, VA

BAN19960862 Accubanc Mortgage Corporation
To open a mortgage lender and broker's office at 2205 Fontaine Avenue, Suite 206, Charlottesville, VA
BAN19960863 Accubanc Mortgage Corporation
To open a mortgage lender and broker's office at 1701 Euclid Avenue, Suite G, Bristol, VA
BAN19960864 Accubanc Mortgage Corporation
To open a mortgage lender and broker's office at 1014 Charles Street, Fredericksburg, VA
BAN19960865 Accubanc Mortgage Corporation
To open a mortgage lender and broker's office at 101 Gateway Centre Parkway, 6th Fl., Richmond, VA
BAN19960866 Accubanc Mortgage Corporation
To open a mortgage lender and broker's office at 3951 Westerre Parkway, Suite 100, Richmond, VA
BAN19960867 Accubanc Mortgage Corporation
To open a mortgage lender and broker's office at 3146 Golansky Boulevard, Suite 202, Woodbridge, VA
BAN19960868 Centerpoint Mortgage Corporation
For a mortgage broker's license
BAN19960869 Chesapeake Mortgage Services, Inc.
For a mortgage lender's license
BAN19960870 North American Money Order Company, Inc.
For a money order license
BAN19960871 AMRESCO Residential Mortgage Corporation
To open a mortgage lender's office
BAN19960872 America's Funding Group, Inc.
To relocate a mortgage lender broker's office from 12355 Sunrise Valley Drive, Reston, VA to 12355 Sunrise Valley Drive, Ste. 625, Reston, VA
BAN19960873 Mortgage Edge Corporation
To open a mortgage lender and broker's office at 6862 Elm Street, Suite 820, McLean, VA
BAN19960874 Citizens Mortgage Corporation
To open a mortgage lender and broker's office at 11130 Main Street, Suite 250, Fairfax, VA
BAN19960875 First Federal Mortgage Corporation
To relocate a mortgage lender broker's office from 6903 Rockledge Drive, Suite 1300, Bethesda, MD to 4827 Bethesda Avenue, Bethesda, MD
BAN19960876 Mid-Atlantic Mortgage Corporation
To relocate a mortgage broker's office from 7265 Mosby Drive, Warrenton, VA to Nine North Third Street, Suite 200, Warrenton, VA
BAN19960877 Crestar Bank
To open a branch at 500 North Harrison Street, Richmond, VA
BAN19960878 WMA Mortgage Services, Inc.
To open a mortgage lender's office
BAN19960879 Miller, Richard W.
To relocate a mortgage broker's office from 3251 Old Lee Highway, Suite 107, Fairfax, VA to 10560 Main Street, Suite 215, Fairfax, VA
BAN19960880 F & M Bank - Central Virginia
To establish an EFT at 201 Bowen Loop, Albemarle County, VA
BAN19960881 CTX Mortgage Company
To relocate a mortgage lender broker's office to 3333 Lee Parkway, Dallas, TX
BAN19960882 HomeOwners Mortgage & Equity, Inc.
For a mortgage lender's license
BAN19960883 Walsh, III, William Thomas
To relocate a mortgage broker's office from 3251 Old Lee Highway, Suite 107, Fairfax, VA to 10560 Main Street, Suite 215, Fairfax, VA
BAN19960884 Banc One Financial Services, Inc.
To relocate consumer finance office from 5446 Southpoint Plaza Way, Spotsylvania County, VA to 10703 Spotsylvania Avenue, Suite 102, Spotsylvania County, VA
BAN19960885 Weyerhaeuser Mortgage Company
To relocate a mortgage lender broker's office from 8880 Rio San Diego Drive, Suite 400, San Diego, CA to 8880 Rio San Diego Drive, Suite 750, San Diego, CA
BAN19960886 Nanticoke Development Corporation
To open a mortgage lender's office
BAN19960887 Metro-County Bank of Virginia, Inc.
To open a bank at 8194 Atlee Road, Mechanicsville, VA
BAN19960888 Associates Housing Finance Services, Inc.
To open a mortgage lender's office
BAN19960889 Guaranty Financial Corporation
To acquire Guaranty Bank
BAN19960890 Guaranty Bank
To open an interim bank - Guaranty Savings & Loan, F.A.
BAN19960891 Mortgage Authority, Inc., The
To relocate a mortgage lender's office from 33200 W. 14 Mile Road, W. Bloomfield, MI to 27555 Farmington Road, Farmington Hills, MI
BAN19960892 Dynex Financial, Inc.
To relocate a mortgage lender's office from 4880 Cox Road, Glen Allen, VA to 10900 Nuckols Road, Third Floor, Glen Allen, VA
BAN19960893 Wilson, Fredric V.
For a mortgage broker's license
BAN19960894 Aames Funding Corporation d/b/a Aames Home Loan
To open a mortgage lender and broker's office at 7833 Walker Drive, Suite 330, Greenbelt, MD
BAN19960895 First Virginia Bank
To relocate office from 2062 Plank Road, Spotsylvania County, VA to 1151 Carl Silver Parkway, Fredericksburg, VA

BAN19960896 CBSK Financial Group, Inc.
For a mortgage lender's license
BAN19960897 Apollo Mortgage and Financial Services, Inc.
To open a mortgage lender's office at 532 Baltimore Boulevard, Suite 407, Westminster, MD
BAN19960898 Harbourton Mortgage Co., L.P.
To open a mortgage lender's office at 8903 Presidential Parkway, Suite 200, Upper Marlboro, MD
BAN19960899 Harbourton Mortgage Co., L.P.
To open a mortgage lender's office at 1901 Research Boulevard, Suite 430, Rockville, MD
BAN19960900 Harbourton Mortgage Co., L.P.
To open a mortgage lender's office at 10230 New Hampshire Ave., Suite 350, Silver Spring, MD
BAN19960901 Harbourton Mortgage Co., L.P.
To open a mortgage lender's office at 11705 Berry Road, Unit 102, Waldorf, MD
BAN19960902 Harbourton Mortgage Co., L.P.
To open a mortgage lender's office at 1003 K Street, NW, Suite 650, Washington, DC
BAN19960903 Home Equity Mortgage, Incorporated
To relocate a mortgage broker's office from 8545 Patterson Avenue, Suite 203, Richmond, VA to 1903 Manakin Road, Manakin-Sabot, VA
BAN19960904 First Greensboro Home Equity, Inc.
To open a mortgage lender and broker's office at 308-J Pomona Drive, Greensboro, NC
BAN19960905 Peoples Bank of Virginia
To establish an EFT at 509 Southpark Boulevard, Colonial Heights, VA
BAN19960906 Signet Bank
To relocate office from Kent Plaza Shopping Center, Chestertown, MD to 503-A Washington Avenue, Chestertown, MD
BAN19960907 First Mortgage Virginia Corporation
For a mortgage broker's license
BAN19960908 National Finance Corporation
To relocate a mortgage lender broker's office from 1745 Route 9, Clifton Park, NY to 21 Corporate Drive, Clifton Park, NY
BAN19960909 Columbia National, Incorporated
To open a mortgage lender and broker's office at 3464 Highway 903, Bracey, VA
BAN19960910 Bethesda-Chevy Chase Mortgage Corporation
To relocate a mortgage broker's office from 5550 Friendship Blvd., Suite 290, Chevy Chase, MD to 210 Pier One Road, Suite 209, Stevensville, MD
BAN19960911 Superior Mortgage Corporation
To relocate a mortgage lender broker's office from 227 East Atlantic Street, South Hill, VA to 225 East Atlantic Street, South Hill, VA
BAN19960912 Second Bank & Trust
To establish an EFT at 501 Sunset Lane, Culpeper, VA
BAN19960913 Capital Mortgage Corp.
For a mortgage broker's license
BAN19960914 American General Finance of America, Inc.
To open a consumer finance office
BAN19960915 American General Finance of America, Inc.
To conduct term life insurance business where other business will also be conducted
BAN19960916 American General Finance of America, Inc.
To conduct property insurance business where other business will also be conducted
BAN19960917 American General Finance of America, Inc.
To conduct mortgage lending where other business will also be conducted
BAN19960918 American General Finance of America, Inc.
To conduct sales finance business where other business will also be conducted
BAN19960919 American General Finance of America, Inc.
To conduct open-end lending where other business will also be conducted
BAN19960920 Union Finance Corporation
To relocate consumer finance office from 1417 North Main Street, Suffolk, VA to 1703 B North Main Street, Suffolk, VA
BAN19960921 Pacific Finance Loans d/b/a Transamerica Credit Corporation
To open a mortgage lender's office at 1933 North Meachum Road, 4th Floor, Schaumburg, IL
BAN19960922 Pacific Finance Loans d/b/a Transamerica Credit Corporation
To open a mortgage lender's office at 5360 College Boulevard, Overland Park, KS
BAN19960923 NF Investments, Inc.
To open a mortgage lender and broker's office at 1744 Shady Tree Court, Richmond, VA
BAN19960924 James River Bank
To open a branch at 22510 Linden Street, Courtland, VA
BAN19960925 Anchor Financial Group, Inc.
For a mortgage lender's license
BAN19960926 Green Tree Financial Servicing Corporation
To open a mortgage lender's office at 7764 Armistead Road, Suite 260, Lorton, VA
BAN19960927 Block Mortgage Company, L.L.C.
To open a mortgage lender's office at 108 West Point Square, West Point, VA
BAN19960928 Crestar Bank
To open a branch at 7901 Brook Road, Henrico County, VA
BAN19960929 Crestar Bank
To open a branch at 7951 Brook Road, Henrico County, VA

BAN19960930 Crestar Bank
To open a branch at 11400 West Broad Street Road, Henrico County, VA
BAN19960931 First Heritage Mortgage Company
To relocate a mortgage broker's office from 1072 Laskin Road, Suite 204-C, Virginia Beach, VA to 3500 Virginia Beach Blvd., Suite 505, Virginia Beach, VA
BAN19960932 American Federal Mortgage Corporation
For a mortgage broker's license
BAN19960933 Fieldstone Mortgage Company
To open a mortgage lender and broker's office at 1321 Jamestown Road, Suite 103, Williamsburg, VA
BAN19960934 Fieldstone Mortgage Company
To open a mortgage lender and broker's office at 1401 Greenbriar Parkway, Suite 200, Chesapeake, VA
BAN19960935 Fieldstone Mortgage Company
To open a mortgage lender and broker's office at 8150 Leesburg Pike, Suite 310, Fairfax, VA
BAN19960936 GPT Corporation
To relocate a mortgage lender broker's office from 1835 University Blvd., Suite 222, Adelphi, MD to 3321 Toledo Terrace, Suite 301, Hyattsville, MD
BAN19960937 Bank of Southside Virginia, The
To establish an EFT at southwest corner of intersection of Interstate 95 and U. S. Route 301, Stony Creek, VA
BAN19960938 Sterling Mortgage Corporation
To relocate a mortgage lender broker's office from 485 S. Independence Blvd., Suite 115, Virginia Beach, VA to 2953 Virginia Beach Blvd., Suite 101, Virginia Beach, VA
BAN19960939 Centura Bank
To open a branch at 2744 S. Crater Road, Petersburg, VA
BAN19960940 Centura Bank
To open a branch at 1912 Laskin Road, Virginia Beach, VA
BAN19960941 Centura Bank
To open a branch at 891 Temple Avenue, Colonial Heights, VA
BAN19960942 Centura Bank
To open a branch at 20 Prosperity Lane, Stafford County, VA
BAN19960943 Centura Bank
To open a branch at 610 England Street, Ashland, VA
BAN19960944 Centura Bank
To open a branch at 1013 North Boulevard, Richmond, VA
BAN19960945 Centura Bank
To open a branch at Highway 58, U.S. Route 501, Halifax County, VA
BAN19960946 Centura Bank
To open a branch at 128 N. Main Street, Emporia, VA
BAN19960947 Centura Bank
To open a branch at 702 E. Atlantic Avenue, South Hill, VA
BAN19960948 Washington Suburban Financial Services, Inc.
To relocate a mortgage lender broker's office from 6828 Commerce Street, Suite 101, Springfield, VA to 6810 Commerce Street, Suite 201, Springfield, VA
BAN19960949 Preferred Mortgage Group, Inc.
To open a mortgage lender and broker's office at 14 Pidgeon Hill Drive, Suite 100, Sterling, VA
BAN19960950 Pond Point Mortgage Company
To relocate a mortgage broker's office from 6401 Golden Triangle Dr., Suite 450, Greenbelt, MD to 6401 Golden Triangle Dr., Suite 210, Greenbelt, MD
BAN19960951 Barton, John D.
For a mortgage broker's license
BAN19960952 Ford Consumer Finance Company, Inc.
To open a mortgage lender and broker's office at 10055 Red Run Boulevard, Suite 130, Owings Mills, MD
BAN19960953 Major Financial, Inc.
For a mortgage broker's license
BAN19960954 Annapolis Federal Mortgage, LLC
For a mortgage broker's license
BAN19960955 First Alliance Mortgage Company
To open a mortgage lender's office
BAN19960956 1st Financial Funding Corp.
For a mortgage lender's license
BAN19960957 Triangle Funding Corporation
To open a mortgage broker's office at 732 Thimble Shoals Boulevard, Suite 304, Newport News, VA
BAN19960958 Executive Mortgage Bankers Ltd.
To relocate a mortgage lender's office from 555 Broadhollow Road, Melville, NY to 500 Bi-County Boulevard, Farmingdale, NY
BAN19960959 First Bank and Trust Company, The
To open a branch at 970 East Main Street, Lebanon, VA
BAN19960960 American General Finance, Inc.
To relocate a mortgage lender's office from 4552 George Washington Highway, Portsmouth, VA to 3256 Academy Avenue, Portsmouth, VA
BAN19960961 American General Finance of America, Inc.
To relocate consumer finance office from 4552 George Washington Highway, Portsmouth, VA to 3256 Academy Avenue, Portsmouth, VA

BAN19960962 First-Citizens Bank
To open a bank at 3601 Thirlane Road, Roanoke, VA
BAN19960963 First Citizens Bancshares, Inc.
Out of state bank to acquire VA bank - First-Citizens Bank
BAN19960964 American International Mortgage Bankers, Inc.
To open a mortgage lender's office
BAN19960965 Commonwealth Mortgage Corporation
To relocate a mortgage broker's office from 11350 Random Hills Road, Suite 700, Fairfax, VA to 6035 Burke Centre Parkway, Suite 200, Burke, VA
BAN19960966 F & M Bank - Richmond
To establish an EFT at 2320 W. Hundred Road, Chester, VA
BAN19960967 Mutts, Cornelia
For a mortgage broker's license
BFI960001 Equity One Consumer Discount Company, Inc.
Alleged violation of VA Code § 6.1-267
BFI960002 Equity One of Virginia, Inc.
Alleged violation of VA Code § 6.1-416
BFI960003 Shaw, William L, II t/a Advantage Funding
Alleged violation of VA Code § 6.1-413
BFI960004 Ameritrust Mortgage Corporation
Alleged violation of VA Code § 6.1-413
BFI960005 Medallion Mortgage Company
Alleged violation of VA Code § 6.1-413
BFI960006 Express Mortgage, Inc.
For a mortgage broker's license
BFI960007 Abbot Mortgage Service, Inc.
Alleged violation of VA Code § 6.1-416
BFI960008 Medallion Mortgage Co.
Alleged violation of VA Code § 6.1-413
BFI960009 Ace Mortgage Corporation
Alleged violation of VA Code § 6.1-413
BFI960010 White, Lynn Jennings
Alleged violation of VA Code § 6.1-413
BFI960011 Ditech Funding Corporation
For review of Commission's denial for a mortgage lender's license
BFI960012 American Finance & Investment
Alleged violation of VA Code § 6.1-416.1
BFI960013 Mortgage Servicing Acquisition Corporation
Alleged violation of VA Code § 6.1-416.1
BFI960014 Banc One Financial Services, Inc.
Alleged violation of Chapter 6 of Title 6.1 of the Code of Virginia
BFI960015 Ace Mortgage Corporation
Alleged violation of VA Code § 6.1-418
BFI960016 American Funding & Investment Corporation
Alleged violation of VA Code § 6.1-418
BFI960017 American Home Finance, Inc.
Alleged violation of VA Code § 6.1-418
BFI960018 American Mortgage Bankers, Inc.
Alleged violation of VA Code § 6.1-418
BFI960019 American Mortgage Reduction, Inc.
Alleged violation of VA Code § 6.1-418
BFI960020 Ameritrust Mortgage Corporation
Alleged violation of VA Code § 6.1-418
BFI960021 Brokers Commitment Corporation
Alleged violation of VA Code § 6.1-418
BFI960022 Cardinal Mortgage, Inc.
Alleged violation of VA Code § 6.1-418
BFI960023 Century Capital Mortgage, Inc.
Alleged violation of VA Code § 6.1-418
BFI960024 Coastal Mortgage Corporation of Maryland
Alleged violation of VA Code § 6.1-418
BFI960025 Colonial Mortgage Corporation
Alleged violation of VA Code § 6.1-418
BFI960026 Comfort Mortgage, Incorporated
Alleged violation of VA Code § 6.1-418
BFI960027 Cornerstone Mortgage, Inc.
Alleged violation of VA Code § 6.1-418
BFI960028 Executive Mortgage Services, Inc.
Alleged violation of VA Code § 6.1-418
BFI960029 Financial Security Mortgage Corporation
Alleged violation of VA Code § 6.1-418

BFI960030 First Dominion Mortgage Corporation
Alleged violation of VA Code § 6.1-418
BFI960031 First Franklin Financial Corporation
Alleged violation of VA Code § 6.1-418
BFI960032 First Guaranty Mortgage Corporation
Alleged violation of VA Code § 6.1-418
BFI960033 First Home Mortgage Corporation
Alleged violation of VA Code § 6.1-418
BFI960034 First Manassas Mortgage LC
Alleged violation of VA Code § 6.1-418
BFI960035 GPT Corporation t/a GPT Mortgage Corporation
Alleged violation of VA Code § 6.1-418
BFI960036 Hamilton Financial Corporation
Alleged violation of VA Code § 6.1-418
BFI960037 Home Mortgagee Corporation
Alleged violation of VA Code § 6.1-418
BFI960038 Homestar Mortgage, Inc.
Alleged violation of VA Code § 6.1-418
BFI960039 Imperial Credit Industries, Inc.
Alleged violation of VA Code § 6.1-418
BFI960040 JHS Mortgage Corporation (Used in VA by Citizens Mortgage Corp.)
Alleged violation of VA Code § 6.1-418
BFI960041 Libra Investments Limited
Alleged violation of VA Code § 6.1-418
BFI960042 Metro Mortgage Associates, Inc.
Alleged violation of VA Code § 6.1-418
BFI960043 Money Organization of Mid-Atlantic, Inc.
Alleged violation of VA Code § 6.1-418
BFI960044 Mortgage Acceptance Corporation
Alleged violation of VA Code § 6.1-418
BFI960045 Mortgage Network, Inc.
Alleged violation of VA Code § 6.1-418
BFI960046 Mortgage Service America Co.
Alleged violation of VA Code § 6.1-418
BFI960047 Needham, Barry D. d/b/a Barson Financial Services
Alleged violation of VA Code § 6.1-418
BFI960048 NF Investments, Inc.
Alleged violation of VA Code § 6.1-418
BFI960049 Patriot Mortgage Company LP
Alleged violation of VA Code § 6.1-418
BFI960050 RBO Funding, Inc.
Alleged violation of VA Code § 6.1-418
BFI960051 Reliastar Mortgage Corporation (Formerly Washington Square Mortgage Co.)
Alleged violation of VA code § 6.1-418
BFI960052 Stowe, Joel O. d/b/a JSA Mortgage Centre
Alleged violation of VA Code § 6.1-418
BFI960053 Telnet Capital, Inc.
Alleged violation of VA Code § 6.1-418
BFI960054 First Chesapeake Mortgage Corporation (Formerly known as Fountainhead Mortgage Corp.)
Alleged violation of VA code § 6.1-418
BFI960055 Funding Group Inc., The
Alleged violation of VA Code § 6.1-418
BFI960056 Treasure Coast Mortgage Corporation
Alleged violation of VA Code § 6.1-418
BFI960057 U S Mortgage Capital, Inc.
Alleged violation of VA Code § 6.1-418
BFI960058 Unisource Financial Corporation
Alleged violation of VA Code § 6.1-418
BFI960059 Virginia Builders Funding Corporation (Used in VA by Builders Funding Corporation)
Alleged violation of VA Code § 6.1-418
BFI960060 Washington Suburban Financial Services, Inc.
Alleged violation of VA Code § 6.1-418
BFI960061 White Financial Ventures, Inc. d/b/a Action Mortgage
Alleged violation of VA Code § 6.1-413
BFI960062 Mortgage Express Company
Alleged violation of VA Code § 6.1-413
BFI960063 Browning, Gary W. t/a Maximum Funding
Alleged violation of VA Code § 6.1-413
BFI960064 First Mount Vernon Industrial Loan Association
Alleged violation of VA Code §§ 6.1-229 and 6.1-232.1
BFI960065 HFS Associates, Inc.
Alleged violation of VA Code § 6.1-410

BFI960066 1st Preference Mortgage Corporation
Alleged violation of VA Code § 6.1-416
BFI960067 Greenfield Market
Alleged violation of VA Code §§ 56-508.15 and 56-508.16
BFI960068 Ex Parte: Regulations
In the matter of proposed amendment of a regulation relating to surety bonds of money order sellers and money transmitters
BFI960069 AVCO Mortgage & Acceptance, Inc.
Alleged violation of VA Code § 12.1-15
BFI960070 Equity One Discount Co., Inc.
In the matter of Equity One Consumer Discount Company, Inc.
BFI960071 Beard Development Corporation t/a America's Home Mortgage Co.
Alleged violation of VA Code § 12.1-15
BFI960072 Ex Parte: Rules
In the matter of amending rules governing open-end credit and mortgage lending in offices licensed under the Consumer Finance Act
BFI960073 Transatlantic Mortgage Co., Inc. t/a The Processing Center
Alleged violation of VA Code § 6.1-413
BFI960074 Hovnanian Mortgage, Inc.
Alleged violation of VA Code § 6.1-416
BFI960075 National Credit Reports
Alleged violation of VA Code § 6.1-413
BFI960076 Oakwood Acceptance Corporation d/b/a Nationwide Mortgage Co.
Alleged violation of VA Code § 6.1-416
BFI960077 Mortgage Access Corporation
Alleged violation of VA Code § 6.1-416
BFI960078 Mego Mortgage Corporation
Alleged violation of VA Code § 6.1-416
BFI960079 Block Mortgage Co. LLC
Alleged violation of VA Code § 6.1-416
BFI960080 Yates, John H.
Alleged violation of VA Code § 6.1-410

CLK: CLERK'S OFFICE

CLK960007 Election of Chairman
Pursuant to VA Code § 12.1-7
CLK960026 Jermantown Realty Company
For dissolution of a corporation pursuant to VA Code § 13.1-749
CLK960043 Ex Parte: Public Sessions
In the matter of minutes of public sessions required by VA Code § 12.1-19(1)
CLK960130 Tazewell County Public Service Authority
For rehearing pursuant to VA Code § 13.1-614
CLK960196 Eastern Shore Industrial
For order for involuntary dissolution
CLK960626 Chesapeake Bay Seafood House
To declare void the certificate of organization
CLK960668 Sew Unique Designs, Inc.
For order of involuntary dissolution

INS: BUREAU OF INSURANCE

INS960001 Emerald Texas, Inc.
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS960002 Fowler, Eddie Jr.
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS960003 Westbrooke Homes
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS960004 American Home Shield of Virginia, Inc.
Alleged violation of VA Code §§ 38.2-305.A, et al.
INS960005 Virginia Insurance Reciprocal, The
Alleged violation of VA Code §§ 38.2-304, et al.
INS960006 Group Hospitalization & Medical Services, Inc. d/b/a Blue Cross Blue Shield of the National Capital Area
Alleged violation of VA Code § 38.2-503, et al.
INS960007 Criterium-McClancy Engineers
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS960008 McDaniel, James W. III
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS960009 Kidwell, Donald E. and Consumers Title Agency, Inc.
Alleged violation of VA Code § 38.2-1813
INS960010 Hunter, Robert W.
Alleged violation of VA Code §§ 38.2-1813, et al.

INS960011 White, Richard Keith
Alleged violation of VA Code §§ 38.2-1804, et al.
INS960012 Larmore, Roland Jr. and Lamore Insurance Agency, Inc.
Alleged violation of VA Code § 38.2-1813
INS960013 Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.
Alleged violation of VA Code §§ 38.2-502.1, et al.
INS960014 Abbott, Daniel and Beneficial Insurance Agency, Inc.
Alleged violation of VA Code §§ 38.2-1813, et al.
INS960015 Sentry Insurance Company
Alleged violation of VA Code § 38.2-317
INS960016 Cambridge Mutual Fire Insurance Co.
Alleged violation of VA Code §§ 38.2-1906 and 38.2-317
INS960017 Grain Dealers Mutual Insurance Co.
Alleged violation of VA Code § 38.2-2220
INS960018 Boston Old Colony Insurance Co.
Alleged violation of VA Code § 38.2-317
INS960019 Universal Underwriters Insurance Co.
Alleged violation of VA Code § 38.2-2230
INS960021 Continental Insurance Company
Alleged violation of VA Code § 38.2-317
INS960022 Bay State Insurance Company
Alleged violation of VA Code §§ 38.2-1906 and 38.2-317
INS960023 Niagara Fire Insurance Company
Alleged violation of VA Code § 38.2-317
INS960024 Merrimack Mutual Fire Insurance Co.
Alleged violation of VA Code §§ 38.2-1906 and 38.2.317
INS960025 Society Hill Condominiums, Inc.
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS960026 McKellar Development of La Jolla
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS960027 Burnside Construction v. Spangler, S. M. and Turoic, G. S.
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS960028 McSherry, Norman J.
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS960029 Wendt, Daniel
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS960030 Gagne, Robert and Anita
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS960031 Jazwinski, Daniel and Thelma
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS960032 Tiers of Wheaton Condominiums
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS960033 Hall, Jane H.
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS960034 Ex Parte: Rules
In the matter of adopting revised Rules Governing Minimum Standards for Medicare Supplement Policies
INS960035 Wright, James S.
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS960037 Shepherd, Carol J.
Alleged violations of VA Code §§ 38.2-502.1 and 38.2-502.6
INS960038 Tamarron at Princeton Meadows
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS960039 Ruiz, Michael and Maria T.
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS960040 Gettman, Martin and Adrienne
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS960041 Johnson, Emagene F.
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS960042 Pierce, Donald H.
Alleged violation of VA Code § 38.2-502
INS960043 Southern Title Insurance
For approval of acquisition of control by Firstmark Corporation
INS960044 Home Guaranty Insurance Corporation
For acquisition of control by Lawrenceville Holdings, Inc.
INS960045 General Electric Capital Corporation
For approval of acquisition of control of Life Insurance Co. of Virginia and FFRL Re Corporation
INS960046 Oprenchak, Richard
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS960047 Jordan, Marvin R.
Alleged violation of VA Code §§ 38.2-1805.A and 38.2-219.C
INS960048 Look, Rebecca S.
Alleged violations of VA Code §§ 38.2-1805.A and 38.2-219.C

INS960049 Richardson, Kevin G.
Alleged violation of VA Code § 38.2-1805.A
INS960050 Kinsey, Vernon W.
Alleged violation of VA Code § 38.2-1805.A
INS960051 Kidd, Robert W.
Alleged violation of VA Code § 38.2-1805.A
INS960052 Edwards, Ralph L.
Alleged violation of VA Code § 38.2-1805.A
INS960053 Clark, Willie R.
Alleged violation of VA Code § 38.2-1805.A
INS960054 Burkett, A. Joseph III
Alleged violations of VA Code § 38.2-1805.A
INS960055 Baggett, Daniel L.
Alleged violation of VA Code § 38.2-1805.A
INS960056 Armes, Nora R.
Alleged violations of VA Code § 38.2-1805.A
INS960057 Fairway Vista Homeowners Association
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS960058 Trenary, Joseph and Maureen
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS960059 Joseph, Mark and Cynthia
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS960060 Sisk, James F.
Alleged violation of VA Code § 38.2-1831
INS960061 Moulton, William E. Jr.
For a rule to show cause
INS960062 ERA Home Protection Co. of Virginia
For authority to acquire ERA Home Protection Company of Virginia by HFS, Inc.
INS960063 Bryant, Gregory D.
Alleged violation of VA Code § 38.2-1805.A
INS960064 Castle, Raymond A.
Alleged violation of VA Code § 38.2-1805.A
INS960065 Evans, Donald L.
Alleged violation of VA Code § 38.2-1805.A
INS960066 Johnson, James G. Jr.
Alleged violation of VA Code § 38.2-1805.A
INS960067 Mariner, Carol M.
Alleged violation of VA Code § 38.2-1805.A
INS960068 Mills, Russell H. Jr.
Alleged violation of VA Code § 38.2-1805.A
INS960069 Sikes, Thomas
Alleged violation of VA Code § 38.2-1805.A
INS960070 Valley Forge Life Insurance Co.
Alleged violation of VA Code § 38.2-610
INS960071 Sentara Health Plans, Inc.
For correction of 1991, 1992, 1993 and 1994 assessments
INS960072 Optima Health Plan, Inc.
For correction of 1991, 1992, 1993 and 1994 assessments
INS960073 Life Insurance Company of Virginia
Alleged violation of VA code §§ 38.2-3721, 38.2-3724, 38.2-3725, et al.
INS960074 Main Street Homes, Inc.
For review of HOW Insurance Co., et al Deputy Receiver's determination of appeal
INS960075 Grangers Mutual Insurance Co.
Alleged violation of VA Code § 38.2-1028
INS960076 Montemurro, Philip and Laura G.
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS960077 Bankers United Life Assurance Company
Alleged violation of VA Code §§ 38.2-219 and 38.2-3419
INS960078 PFL Life Insurance Company
Alleged violation of VA Code §§ 38.2-219 and 38.2-3419
INS960079 Life Investors Insurance Co. of America
Alleged violation of VA Code §§ 38.2-219 and 38.2-3419
INS960080 Monumental Life Insurance Company
Alleged violation of VA Code §§ 38.2-219 and 38.2-3419.1
INS960081 U S Financial Group Agency, Inc. t/a Auto Insurance Specialists
Alleged violation of VA Code § 38.2-1822
INS960082 Barber, Scott and Lisa
For review of HOW Insurance Co., et al Deputy Receiver's determination of appeal
INS960083 Cirafici, Thomas and Maria
For review of HOW Insurance Co., et al Deputy Receiver's determination of appeal

INS960084 Mansfield, Christopher J.
Alleged violation of VA Code §§ 38.2-1813, et al.
INS960085 Richardson, Carl L.
Alleged violation of VA Code §§ 38.2-502.6, et al.
INS960086 Handler Corporation, The
For review of HOW Insurance Co., et al Deputy Receiver's determination of appeal
INS960087 Betts, Tom and Barbara
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INS960088 National Association Homebuilders of the US
Alleged violation of VA Code sections
INS960089 Deloitte & Touche
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INS960090 Reliance National Indemnity Co.
Alleged violation of VA Code § 38.2-1906
INS960092 United Pacific Insurance Co.
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INS960093 National Surety Corporation
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INS960094 Fireman's Fund Insurance Co.
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INS960095 Reliance Insurance Company
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INS960096 American Automobile Insurance
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INS960098 Martin, Melody
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INS960099 Bejarano, Arturo Jr. and Virginia
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INS960102 Huntington T Block Insurance Agency, Inc.
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INS960103 Kaliff, Mendel S.
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INS960104 Assurance Brokers Ltd.
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INS960105 Travelers Indemnity Co., et al.
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INS960106 Linhoss, John Conrad Jr.
Alleged violation of VA Code §§ 38.2-302 and 38.2-512
INS960107 Buss, Michael J.
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INS960108 Yesbeck, Edward P. Sr.
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INS960109 Amerin Guaranty Corporation
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INS960110 Davis, Raymond E.
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INS960111 Hartford Casualty Insurance Co., et al.
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INS960112 Husain, Zafar A.
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INS960113 Confederation Life Insurance Co.
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INS960117 Harrelson, Donald L.
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INS960118 Brown, Philip H. II and Market Insurance Group, Inc.
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INS960120 Potomac Insurance Co. of Illinois
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INS960122 General Accident Insurance Company of America
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INS960123 Massachusetts Bay Insurance Co.
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INS960124 Citizens Insurance Co. of America
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INS960125 Brotherhood Mutual Insurance Co.
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INS960126 Hanover Insurance Company
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INS960127 Welch, Timothy D. and Jacqueline
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INS960128 Travelers Indemnity Company
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INS960129 Nationwide Mutual Insurance Co.
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INS960130 Travelers Indemnity Co. of Connecticut
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INS960131 Selective Insurance Co. of America
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INS960132 Travelers Indemnity Co. of America
Alleged violation of VA Code § 38.2-1906

INS960133 Phoenix Insurance Company
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INS960134 Travelers Indemnity Co. of Illinois
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INS960135 Tropical Homes Construction
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INS960136 Lincoln National Specialty
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INS960137 FG Insurance Corporation
To eliminate impairment and restore surplus to minimum amount required by law

INS960138 International Financial Services
To eliminate impairment and restore surplus to minimum amount required by law

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For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal

INS960140 Hendricks, Marilyn S.
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INS960142 Gantt ,Donald C. Jr., Gantt, John L. and Farmers Independent Insurance Agency, Inc.
Alleged violation of VA Code §§ 38.2-1813, et al.

INS960143 Rawson, William H.
Alleged violation of VA Code §§ 38.2-1813 and 38.2-1822(E)

INS960144 Group Hospitalization and Medical Services, Inc.
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INS960146 Ex Parte: Refunds
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INS960147 Ex Parte: Refunds
In the matter of refunding overpayments of fire program fund assessment based on direct gross premium income of insurance companies1994 and 1995

INS960148 Ex Parte: Refunds
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INS960149 Ex Parte: Refunds
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INS960150 Ex Parte: Refunds
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INS960152 American Title Insurance Co.
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INS960153 Davis, William Robert
Alleged violation of VA Code § 38.2-512

INS960154 Beard, Marion L.
Alleged violations of VA Code § 38.2-512

INS960155 Glenfed Development Corporation
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INS960156 Shaker Homes West, Inc.
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal

INS960157 Lexington Homes, Inc.
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INS960158 Union Labor Life Insurance Co.
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INS960159 Reserve National Insurance Co.
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INS960160 Kelsoe, Robert E. and Associated Benefits Insurance Services, Inc.
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INS960161 Dobson, John F.
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INS960162 Worsham, Randall M.
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INS960163 Military Premium Managers, Inc.
For suspension of license pursuant to VA Code § 38.2-4704
INS960164 Ex Parte: Competition
Determination of competition as an effective regulator of rates pursuant to VA Code § 38.2-1905.1.E
INS960165 Ex Parte: Rules
In the matter of adopting revised Rules Governing Essential and Standard Health Benefit Plan Contracts
INS960166 Coronet Insurance Company
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INS960167 National American Life Insurance Co. of Pennsylvania
For approval of an assumption reinsurance agreement pursuant to VA Code § 38.2-136.C
INS960168 Ex Parte: Rules
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INS960169 Home Inspectors Warranty
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INS960171 Hawthorne, Waverly Herbert Jr.
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INS960176 Young, Kevin L. and Morris and Young Insurance Agency, Inc.
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INS960178 Cross Country Associates, LLC and HAA of Virginia, Inc.
For approval of acquisition of control of or merger with a domestic insurer
INS960179 FFG Insurance Company
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INS960180 Victoria Fire and Casualty Co.
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INS960186 Lumber Mutual Insurance Co.
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INS960188 Household Insurance Company
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INS960190 North American Lumber Insurance Co.
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To revise advisory loss costs for voluntary workers compensation insurance
INS960192 Sink, Dewey Norman Jr.
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INS960194 Caton, Judith Ann
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INS960195 Mull, Edward K.
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INS960197 Dennie, Perry
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INS960199 Commercial Union Midwest Insurance
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INS960201 Employers' Fire Insurance Co.
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INS960203 Commercial Union Insurance Co.
Alleged violation of VA Code §§ 38.2-1906, et al.
INS960204 Guaranty National Insurance Co.
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INS960205 Pacific Indemnity Company
Alleged violation of VA Code § 38.2-2014
INS960206 Vigilant Insurance Company
Alleged violation of VA Code § 38.2-2014
INS960207 Federal Insurance Company
Alleged violation of VA Code § 38.2-2014
INS960208 Gorab, Glenn N. D.M.D.
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Alleged violation of VA Code § 38.2-512
INS960211 HMO Virginia, Inc.
Alleged violation of VA Code §§ 38.2-502.1, 38.2-510.A.5, et al.
INS960212 Physician's Health Plan, Inc.
Alleged violation of VA Code §§ 38.2-316.B, 38.2-316.C, et al.
INS960213 Healthkeepers, Inc.
Alleged violation of VA Code §§ 38.2-316.B, 38.2-316.C, et al.
INS960214 Young, Mark A.
Alleged violation of VA Code § 38.2-512
INS960215 Valley Glen Condominium
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INS960216 McAuley, Robert F.
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INS960220 Augst, Mason W. and AA Auto Enterprises, Inc.
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INS960222 Midland Life Insurance Company
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INS960223 Continental Casualty Co.
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INS960224 Financial Brokerage, Inc.
Alleged violation of VA Code §§ 38.2-1812 and 38.2-1833
INS960225 Horner, Charles L. and Horner Insurance
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INS960227 Hunter, Robert W.
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INS960228 Schneffer, Miriam A.
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INS960229 Henderson, Roosevelt Jr.
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INS960230 Newtown Insurance Agency
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INS960231 All Auto Insurance Agency, Inc.
Alleged violation of VA Code § 38.2-1801
INS960232 Erie Insurance Exchange
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INS960234 Howard, Reginald J.
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INS960235 US Capital Insurance Company
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INS960237 Allianz Life Insurance Company
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INS960238 United Family Life Insurance Co.
Alleged violation of Chapter 14 VAC 5-170-120.C
INS960239 Camper, Leslie Wayne
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INS960240 Goldberg, Philip
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INS960242 United Services Life Insurance Co.
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INS960244 Investors Life Insurance Co. of Nebraska
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INS960245 Security Consultants Financial, Inc.
Alleged violation of VA Code §§ 38.2-1812 and 38.2-1822
INS960246 Allstate Insurance Co.
Alleged violation of VA Code §§ 38.2-231, 38.2-304, et al.
INS960247 Coastal States Life Insurance Co.
For approval of assumption reinsurance agreement pursuant to VA Code § 38.2-136.C
INS960248 National Alliance Risk Management Manufacturer's Group Self-Insurance Association of Virginia, et al.
For approval of assumption reinsurance agreement pursuant to VA Code § 38.2-136.C
INS960249 Shearn, Edward Wesley Jr.
Alleged violation of VA Code § 38.2-512
INS960250 Home Beneficial Life Insurance Co.
Alleged violation of VA Code §§ 38.2-316.B, et al.
INS960251 McHale, John
Alleged violation of VA Code §§ 38.2-502, 38.2-512, et al.
INS960252 American Travellers Life Insurance Company
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INS960254 Howard, Christopher A.
Alleged violation of VA Code § 38.2-1805.A
INS960255 American Premier Insurance Co.
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INS960256 Atlanta Casualty Company
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INS960258 Federal Insurance Company
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Alleged violation of VA Code § 38.2-317
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Alleged violation of VA Code § 38.2-2220
INS960261 Hartford Insurance Co. of the Midwest
Alleged violation of VA Code § 38.2-317
INS960262 Pacific Indemnity Company
Alleged violation of VA Code § 38.2-317
INS960263 Reliance National Insurance Co.
Alleged violation of VA Code § 38.2-2220
INS960264 TIG Insurance Company
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INS960265 Vigilant Insurance Company
Alleged violation of VA Code § 38.2-317
INS960266 Physicians Mutual Insurance Co.
Alleged violation of Chapter 14 VAC 5-170-120.C
INS960267 Allstate Indemnity Co.
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INS960268 Sullivan, Christopher Larry
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INS960269 United States Fidelity and Guaranty Co.
Alleged violation of VA Code § 38.2-1906
INS960270 Fidelity and Guaranty Insurance Underwriters
Alleged violation of VA Code § 38.2-1906
INS960271 Fidelity and Guaranty Insurance Co.
Alleged violation of VA Code § 38.2-1906

INS960272 Jung, Jane
Alleged violation of VA Code §§ 38.2-1813, 38.2-1822, et al.

INS960273 George Washington Life Insurance Co.
For approval of assumption reinsurance agreement pursuant to VA Code § 38.2-136.C

INS960274 Virginia Surety Company, Inc.
For approval of acquisition of control of ERA Home Protection

INS960275 Founders Village, Inc.
Alleged violation of VA Code § 38.2-4904

INS960276 Pennsylvania National Mutual Casualty Insurance Co.
Alleged violation of VA Code § 38.2-1906

INS960277 Universal Underwriters Insurance Co.
Alleged violation of VA Code § 38.2-1906

INS960278 Netherlands Insurance Co.
Alleged violation of VA Code § 38.2-1906

INS960279 Nationwide Mutual Fire Insurance Co.
Alleged violation of VA Code § 38.2-1906

INS960280 Nationwide Mutual Insurance Co.
Alleged violation of VA Code § 38.2-1906

INS960281 Pennsylvania General Insurance Co.
Alleged violation of VA Code § 38.2-1906

INS960282 General Accident Insurance Co. of America
Alleged violation of VA Code § 38.2-1906

INS960283 Peerless Insurance Co.
Alleged violation of VA Code § 38.2-1906

INS960284 Affiliated Agencies, Inc.
For issuance of order revoking defendant's license

INS960285 Atwell, Mary Louise and Atwell Co. and Associates
Alleged violation of VA Code §§ 38.2-1813 and 38.2-1812

INS960286 Colonial Insurance Co. of California
Alleged violation of VA Code §§ 38.2-305, 38.2-610, et al.

INS960287 Liberty Mutual Insurance Co., et al.
Alleged violations of VA Code §§ 38.2-231, 38.2-304, et al.

INS960288 Stafford, William A. II
Alleged violation of VA Code §§ 38.2-218, et al.

INS960289 Preferred Risk Mutual Insurance Co.
Alleged violation of VA Code § 38.2-1906

INS960290 Midwest Mutual Insurance Co.
Alleged violation of VA Code § 38.2-1906

INS960291 John Deere Insurance Co.
Alleged violation of VA Code § 38.2-1906

INS960292 Pennsylvania Manufacturer's Association Insurance Co.
Alleged violation of VA Code § 38.2-1906

INS960293 Cigna Insurance Company
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INS960294 Insurance Co. of North America
Alleged violations of VA Code § 38.2-1906

INS960295 Centennial Insurance Company
Alleged violation of VA Code § 38.2-1906

INS960296 Atlantic Mutual Insurance Co.
Alleged violation of VA Code § 38.2-1906

INS960297 Jarvis, John F. Jr.
Alleged violation of VA Code § 38.2-1813

INS960298 Cal-Surance Associates, Inc.
Alleged violation of VA Code § 38.2-1802

INS960299 Kegley, Brenda W. and Bawk Inc. t/a Ashland Insurance Agency
Alleged violation of VA Code §§ 38.2-1813, 38.2-1812, 38.2-1833, and 38.2-1804

INS960301 Dawson, Steven L. and Auto Insurance Plus Multi-Line Agency
Alleged violation of VA Code §§ 38.2-1809, 38.2-1813, et al.

INS960302 Davis, Richard and Associated Insurance Systems Services, Inc.
Alleged violation of VA Code § 38.2-1813

INS960304 Haynes, Walter E.
Alleged violation of VA Code § 38.2-512

INS960305 Pack, Daniel Ray
Alleged violation of VA Code §§ 38.2-1813, 38.2-1804, et al.

INS960306 Monumental Life Insurance Co.
Alleged violation of VA Code § 38.2-610

INS960307 Smithwick, Billy H.
Alleged violation of VA Code §§ 38.2-512, et al.

INS960308 John Hancock Mutual Life Insurance Co.
Alleged violation of Chapter 14 VAC 5-200-10, et seq.

INS960309 Lowder, Jonathan S.
Alleged violation of VA Code §§ 38.2-1809, 38.2-1812, 38.2-18.3 and 38.2-1822
INS960310 Commercial Union Insurance Co.
Alleged violation of VA Code § 38.2-1906
INS960311 Federal Insurance Company
Alleged violation of VA Code § 38.2-1906
INS960312 Vigilant Insurance Company
Alleged violation of VA Code § 38.2-1906
INS960313 Sumitomo Marine and Fire Insurance Co.
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INS960314 Security Insurance Company of Hartford
Alleged violation of VA Code §§ 38.2-1906 and 38.2-317
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INS960316 Commercial Union Midwest Insurance Co.
Alleged violation of VA Code § 38.2-1906
INS960317 Rehman, Faiz U. and Accord Insurance Associates, Inc.
Alleged violation of VA Code §§ 38.2-1804 and 38.2-1813
INS960318 Haywood, Solomon
Alleged violation of VA Code §§ 38.2-1813, 38.2-1804, et al.
INS960319 Ferguson, Royall B. III
Alleged violation of VA Code § 38.2-1813
INS960320 Valiant Insurance Company
Alleged violation of VA Code § 38.2-1906
INS960321 Assurance Company of America
Alleged violation of VA Code § 38.2-1906
INS960322 Northern Insurance Company of New York
Alleged violation of VA Code § 38.2-1906
INS960323 American Bankers Insurance Co. of Florida
Alleged violation of VA Code §§ 38.2-317 and 38.2-1906
INS960324 Maryland Casualty Company
Alleged violation of VA Code § 38.2-1906
INS960325 Montgomery Mutual Insurance Co.
Alleged violation of VA Code § 38.2-1906
INS960326 Royal Insurance Co. of America
Alleged violation of VA Code § 38.2-1906
INS960327 Royal Indemnity Company
Alleged violation of VA Code § 38.2-1906
INS960328 American and Foreign Insurance Co.
Alleged violation of VA Code § 38.2-1906
INS960329 GEICO Indemnity Company
Alleged violation of VA Code §§ 38.2-2014 and 38.2-2206
INS960330 Great American Insurance Co.
Alleged violation of VA Code §§ 38.2-317 and 38.2-1906
INS960331 American National Fire Insurance Co.
Alleged violation of VA Code §§ 38.2-317 and 38.2-1906
INS960332 American Alliance Insurance Co.
Alleged violation of VA Code §§ 38.2-317 and 38.2-1906
INS960333 Agricultural Insurance Company
Alleged violation of VA Code 38.2-317 and 38.2-1906
INS960334 Great American Insurance
Alleged violation of VA Code §§ 38.2-317 and 38.2-1906
INS960335 American National Fire Insurance Co.
Alleged violation of VA Code §§ 38.2-317 and 38.2-1906
INS960336 American Alliance Insurance Co.
Alleged violation of VA Code §§ 38.2-317 and 38.2-1906
INS960337 Agricultural Insurance Company
Alleged violation of VA Code §§ 38.2-317 and 38.2-1906
INS960338 QualChoice of Virginia Health Plan, Inc.
Alleged violation of VA Code §§ 38.2-4307, et al.
INS960339 Farace, Theodore V. and Linda D.
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS960340 Jordan, Alonza
Alleged violation of VA Code § 38.2-512
INS960341 Ex Parte: Assessments
Assessment upon certain companies and surplus lines brokers to pay the expense of the Bureau of Insurance for calendar year 1997
INS960342 Humana Group Health Plan
Alleged violation of VA Code §§ 38.2-502.1, 38.2-503, et al.
INS960343 Shenandoah Life Insurance Co.
Alleged violation of VA Code §§ 38.2-316.B and 38.2-316.C et al.
INS960344 North Central Life Insurance Co.
Alleged violation of VA Code § 38.2-610

INS960345 Ex Parte: Refunds
In the matter of refunding overpayments of the premium license tax on direct gross premium income of insurance companies for the taxable year 1995

INS960346 Ex Parte: Refunds
In the matter of refunding overpayments of the assessment for the maintenance of the Bureau of Insurance on direct gross premium income of insurance companies for the assessable year 1995

INS960347 Ex Parte: Refunds
In the matter of refunding overpayments of the Fire Programs Fund assessment based on direct gross premium income of insurance companies for the assessable year 1995

INS960348 Ex Parte: Refunds
In the matter of refunding overpayments of the premium license tax on direct gross premium income of insurance companies for the taxable year 1994

INS960349 Ex Parte: Refunds
In the matter of refunding overpayments of the premium license tax on direct gross premium income of insurance companies for the taxable year 1993

INS960350 Brown, Terry W.
Alleged violation of VA Code §§ 38.2-502.1, et al.

INS960351 Medical Savings Insurance Co.
To eliminate impairment and restore surplus to minimum amount required by law

INS960352 American Bankers Insurance Co. of Florida
Alleged violation of VA Code §§ 38.2-3724, 38.2-3725, et al.

INS960353 American Bankers Life Assurance Co. of Florida
Alleged violation of VA Code §§ 38.2-3724, 38.2-3725, et al.

INS960354 NationsBanc Insurance Co. Inc.
Alleged violation of VA Code §§ 38.2-3419.1, et al.

INS960355 Sherritze, Earl L.
Alleged violation of VA Code §§ 38.2-1822 and 38.2-1812

INS960356 Augusta Mutual Insurance Co.
Petition regarding unfair trade practices against Bank America Housing

INS960357 Coronet Insurance Company
Alleged violation of VA Code § 38.2-1028

INS960358 Quinn, Jeffrey J. and Martinco, Sherry L.
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal

INS960359 Roth, David A.
Alleged violation of VA Code §§ 38.2-502.1 and 38.2-512

INS960360 Associated Commercial Insurance Service, Inc.
For issuance of an order revoking defendant's license

MCA: MOTOR CARRIER DIVISION - AUDITS

MCA960001 Ex Parte: Motor Fuel
For administrative order canceling bonds

PST: DIVISION OF PUBLIC SERVICE TAXATION

PST950001 LDDS Communications, Inc.
For review and correction of assessment for 1995 telecommunications companies

PST950002 AMSC Subsidiary Corporation
For assessment of real and tangible personal property - 1995

PUA: DIVISION OF PUBLIC UTILITY ACCOUNTING

PUA950068 Virginia Natural Gas Co.
For authority to contract for certain marketing services with Peoples Natural Gas Co.

PUA950069 Central Telephone Co. of Virginia
For authority to enter into central office space agreement

PUA950070 Central Telephone Co. of Virginia
For approval to amend and extend directory publishing agreement

PUA950071 Central Telephone Co. of Virginia
For authority to enter into tower space agreement

PUA950072 Virginia Natural Gas, Inc.
For approval of aerial patrol agreement

PUA950073 Commonwealth Gas Services, Inc. and Commonwealth Propane, Inc.
For approval of propane supply agreement

PUA950074 Southwestern Virginia Gas Co., et al.
For approval to enter into transactions with affiliates

PUA960001 Delmarva Power and Light Company
For authority to purchase and/or sell not more than 4.99% of common stock of a non-Virginia public utility

PUA960002 Central Telephone Co. of Virginia
For approval of renewal of an operator services agreement with CT&T

PUA960003 Shenandoah Telephone Company
For approval of certain transactions with First Bank
PUA960004 Potomac Edison Company, The
For authority to enter into a contract with affiliates
PUA960005 GTE South, Incorporated
For approval of an affiliate agreement
PUA960006 G W Corporation
For approval of acquisition of a water system
PUA960007 South Wales Utility, Inc.
For approval of lease agreement
PUA960008 United Cities Gas Co. and UCG Energy Corporation
For approval to purchase personal property from an affiliate
PUA960009 Toll Road Investors Partnership II, L.P.
For order modifying tariff
PUA960010 Northern Virginia Electric Cooperative
For authority to transfer assets to Loudoun County
PUA960011 United Cities Gas Co. and UCG Energy Corporation
For approval of continuation of aircraft leasing arrangements
PUA960012 Central Telephone Co. of Virginia
For approval of billing and collection agreement with affiliate
PUA960013 C & P Suffolk Water Co.
For approval of acquisition of water supply facilities
PUA960014 Virginia-American Water Co.
For approval of lease agreement with affiliate
PUA960015 United Telephone-Southeast, Inc.
For approval of telemarketing agreement, lease agreement and related arrangements
PUA960016 GTE South, Inc. and GTE Card Services, Inc.
For authority to enter into agreements relating to resale of long distance services
PUA960017 Central Telephone Co. of Virginia
For approval of affiliate agreement with United Telephone Co. of Florida
PUA960018 C&P Isle of Wight Company
For approval to purchase Ashby and Brewer's Creek water systems
PUA960019 United Telephone-Southeast, Inc.
For approval of affiliate agreement
PUA960020 Central Telephone Co. of Virginia
For approval of affiliate agreement with Sprint Communications
PUA960022 United Cities Gas Company
For authority to enter into agreement with Woodward Marketing, LLC for service relating to Kansas operations
PUA960023 GTE South Inc., et al.
For approval of affiliate agreement
PUA960024 Appalachian Power Company
For consent to and approval of modification to existing inter-company agreement with affiliate
PUA960025 United Cities Gas Company
For approval of certain transactions
PUA960027 High Knob Associates L C
For authority to transfer the assets and ownership of High Knob Water System
PUA960028 Virginia Natural Gas, Inc.
For authority to contract for certain advertising services with East Ohio Gas
PUA960029 United Telephone-Southeast, Inc.
For authority to amend directory publishing agreement with Sprint Publishing
PUA960030 GTE South and GTE Data Services
For approval of an affiliate agreement
PUA960031 United Telephone-Southeast, Inc.
For approval of a sales agency agreement with an affiliate
PUA960032 Central Telephone Company of Virginia
For approval of a sales agency agreement with an affiliate
PUA960034 Commonwealth Gas and Columbia Gas
For approval of certain agreements for new pipeline capacity
PUA960035 Shenandoah Telephone and Shenfin
For approval to modify a previously approved affiliates agreement
PUA960036 Old Dominion Electric Cooperative
For authority to dispose of and to acquire utility assets
PUA960037 Central Telephone Company of Virginia
For approval of lease agreement for central office space with Sprint
PUA960038 C&P Suffolk Water Co.
For approval of the disposal of a water supply facility
PUA960039 United Telephone-Southeast, Inc. and Central Telephone Company of Virginia
For approval of affiliate agreement for business office services
PUA960040 Virginia Natural Gas, Inc.
For approval of incidental gas sales and purchase transactions with affiliate
PUA960041 Commonwealth Gas Services, Inc.
For declaratory order and alternate request for approval arrangement

PUA960042 GTE South and GTE Funding, Inc.
For approval of two affiliate agreements
PUA960043 United Cities Gas Company
For exemption under VA Code § 56-77(B)
PUA960044 Bell Atlantic-Virginia, Inc.
For exemption from filing under VA Code § 56-77(A)
PUA960045 Continental Cablevision, Inc. and U S West, Inc.
For approval under the Utility Transfers Act of the transfer of Alternet of Virginia
PUA960046 Central Telephone Company of Virginia
For exemption of affiliated interest filing requirements pursuant to VA Code § 56-77(A)
PUA960047 United Telephone-Southeast, Inc.
For exemption of affiliated interest filing requirements pursuant to VA Code § 56-77(A)
PUA960048 Bell Atlantic-Virginia, Inc.
For authority to purchase services from an affiliate
PUA960049 Delmarva Power & Light Co.
For approval of transactions under Chapter 4 of Title 56
PUA960050 Shenandoah Valley Telephone Co. and Shenandoah Valley Electric Cooperative
For approval of a pole line joint use agreement
PUA960052 Potomac Edison Company, The
For consent to/approval of modification of existing inter-co. agreement with an affiliate
PUA960053 GTE South, Inc. and GTE Intelligent Network Services, Inc.
For approval of an affiliate agreement
PUA960054 Appalachian Power and AEPSC
For authority to amend schedule A to the service agreement dated 1-1-80
PUA960055 United Cities Gas and Atmos Energy Corporation
For approval of merger
PUA960056 Central Telephone Company of Virginia
For authority to lease building space to an affiliate
PUA960057 Delmarva Power & Light Co.
For approval of transactions under the Affiliate Act
PUA960058 Worldcom, Inc. and MFS Communications Company, Inc.
For approval of agreement and plan of merger in related transactions
PUA960059 Bell Atlantic-Virginia, Inc.
For authority to enter into affiliate agreements
PUA960060 United Telephone-Southeast, Inc. and Central Telephone Company of Virginia
For approval to lease communication facilities to Sprint Spectrum LP
PUA960061 Appalachian Power Company
For authority to enter into a service agreement with an affiliate
PUA960062 !nterprise-Alternet of Virginia
For approval of transfer of control of !nterprise-Alternet of Virginia in connection with the US West-Continental merger
PUA960063 Commonwealth Gas Services, Inc.
For approval of short term firm storage service agreement
PUA960064 Shenandoah Telephone Company
For approval of certain affiliate transactions
PUA960065 Potomac Edison Co., The
For approval of service agreements among affiliates
PUA960066 Appalachian Power and Central Virginia Electric Cooperative
For authority to transfer ownership of transmission line
PUA960067 Virginia Gas Storage Company, et al.
For authority to enter into agreements with affiliates
PUA960068 Virginia Gas Storage Company and Virginia Gas Pipeline Company
For approval to enter into affiliate salary arrangement
PUA960070 Atmos Energy and Western Kentucky
For approval of three informal arrangements and one formal contract
PUA960071 Evergreen Water Corporation and Prince William County Service Authority
For approval of sale and transfer of utility assets
PUA960074 Virginia Natural Gas, Inc. and CNG Transmission Corporation
For authority to enter into seasonal firm transportation service agreement
PUA960075 Reston Lake Anne Air Conditioning Corporation
For authority to renew lease agreement and employment agreements previously approved
PUA960076 Virginia Department of Transportation, David R. Gehr v. Toll Road Investors
Petition for payment
PUA960081 Central Telephone Company of Virginia and Cendon
For approval of one-year extension to directory publishing agreement
PUA960082 Virginia Natural Gas, Inc.
For exemption from certain requirements of Virginia affiliates act
PUA960083 Doswell L.P., et al.
For prior approval of acquisition and disposition of control of public utility

PUC: DIVISION OF COMMUNICATIONS

PUC950060 United Telephone - Southeast
To remove restriction on extended area service rate regrouping

PUC960001 !nterprise-Alternet of Virginia Data Communications
For certificate to provide intrastate data telecommunications services

PUC960002 Washington & Lee University
For waiver of Section 1 of Rules Governing Sharing or Resale of Local Exchange Service

PUC960003 Jones Telecommunications of Virginia, Inc.
For certificate to provide local exchange telephone services

PUC960006 AT&T Communications of Virginia, Inc.
To amend certificate to begin to offer local exchange telecommunications services in Virginia

PUC960009 Cox Fibernet Access Services, Inc. and Cox Fibernet Commercial Services, Inc.
For certificate to provide intrastate telecommunications service

PUC960010 AT&T Communications of Virginia, Inc.
For authority to reduce intraLATA prices within territory served by Bell Atlantic-Virginia, Inc.

PUC960011 Bell Atlantic-Virginia, Inc.
For approval to extend local service from Lynchburg exchange to Stone Mountain exchange

PUC960012 Bell Atlantic-Virginia, Inc.
For approval to implement extended local service from Waverly to GTE's Claremont exchange

PUC960013 Bell Atlantic-Virginia, Inc.
For approval to implement extended local service from Salem exchange to Christiansburg exchange

PUC960014 GTE South, Incorporated
For approval to extend local service from Tazewell exchange to Jewell Ridge exchange

PUC960016 United Telephone - Southeast, Inc.
For certificate to provide interLATA/interexchange service

PUC960017 Central Telephone Company of Virginia
To amend certificate for interexchange service

PUC960019 LDDS Worldcom
To cancel certificate and tariff of Metromedia Communications Corporation of Virginia d/b/a LDDS Metromedia Communications

PUC960021 Bell Atlantic-Virginia, Inc.
For approval to change access rates for switched access services

PUC960022 AT&T Communications of Virginia, Inc.
Petition requesting Bell Atlantic-Virginia, Inc. to file all its interconnecting agreements

PUC960023 GTE South, Incorporated
For authority to offer open network architecture services

PUC960026 Bell Atlantic-Virginia, Inc.
For authority to implement extended local service from Roanoke exchange to Christiansburg exchange

PUC960027 Mondal, Abdul W.
Alleged violation of VA Code §§ 56-508.15 and 56-508.16

PUC960028 Anthony, Bisco C. t/a Anthony's Barber Styling College
Alleged violation of VA Code §§ 56-508.15 and 56-508.16

PUC960029 August Moon, Inc.
Alleged violation of VA Code §§ 56-508.15 and 56-508.16

PUC960030 Hoover, Kenneth R. t/a Bell Communications Company
Alleged violation of VA Code §§ 56-508.15 and 56-308.16

PUC960031 Puffenbarger, Steven C. t/a D&S Pay Phone Co., Inc.
Alleged violation of VA Code §§ 56-508.15 and 56-308/16

PUC960032 Mendelsohn, Davis and Tina t/a Davis Marketing Co.
Alleged violation of VA Code §§ 56-508.15 and 56-508.16

PUC960033 Rashidi, Nasser t/a Dawlat Nourouzi
Alleged violation of VA Code §§ 56-508.15 and 56-508.16

PUC960034 Smallfoot, Dale E. t/a DFS Communications, Inc.
Alleged violation of VA Code §§ 56-508.15 and 56-508.16

PUC960035 Freenance
Alleged violation of VA Code §§ 56-508.15 and 56-508.16

PUC960036 Friend Communications, Inc.
Alleged violation of VA Code §§ 56-508.15 and 56-508.16

PUC960037 Gay Nineties, Inc.
Alleged violation of VA Code §§ 56-508.15 and 56-508.16

PUC960038 Gibson, Susan P. t/a Group Health Association, Inc.
Alleged violation of VA Code §§ 56-508.15 and 56-508.16

PUC960039 International Payphones, Inc.
Alleged violation of VA Code §§ 56-508.15 and 56-508.16

PUC960040 Pendergraft, James Scott, IV t/a S&P Enterprises
Alleged violation of VA Code §§ 56-508.15 and 56-508.16

PUC960041 Moyler, Jim t/a Brandermill Inn
Alleged violation of VA Code §§ 56-508.15 and 56-508.16

PUC960042 Johnson Communications
Alleged violation of VA Code §§ 56-508.15 and 56-508.16

PUC960043 Graham, Jonathan M.
Alleged of violation of VA Code §§ 56-508.15 and 56-508.16

PUC960044 Moorefield, Mildred t/a McDouglas's Pay Telephone Co., Inc.
Alleged violation of VA Code §§ 56-508.15 and 56-508.16

PUC960045 Messina Ltd.
Alleged violation of VA Code §§ 56-508.15 and 56-508.16

PUC960046 Dorsey, Murshell T.
Alleged violation of VA Code §§ 56-508.15 and 56-508.16

PUC960047 Shannon-Chris Corporation
Alleged violation of VA Code §§ 56-508.15 and 56-508.16

PUC960048 Bianucu, Jerry t/a 7 Corners Health Club
Alleged violation of VA Code §§ 56-508.15 and 56-508.16

PUC960049 Stepping Stones Men's Group of A.A. of Northern Virginia
Alleged violation of VA Code §§ 56-508.15 and 56-508.16

PUC960050 Wood, George L. t/a U.S. Pay Phone Company, Inc.
Alleged violation of VA Code §§ 56-508.15 and 56-308.16

PUC960051 Bell Atlantic-Virginia, Inc.
For authority to extend local service from Poquoson zone of Newport News metro exchange to GTE's Hayes exchange

PUC960052 Bell Atlantic-Virginia, Inc.
To implement extended local service from Newport News zone of Newport News metro exchange to GTE's Gloucester exchange

PUC960053 Bell Atlantic-Virginia, Inc.
To implement extended local service from Peninsula zone of Newport News metro exchange to GTE's Hayes exchange

PUC960054 Bell Atlantic-Virginia, Inc.
To implement extended local service from Hampton zone of Newport News metro exchange to GTE's Hayes exchange

PUC960055 Bell Atlantic-Virginia, Inc.
To implement extended local service from Newport News zone of Newport News metro exchange to GTE's Hayes exchange

PUC960056 Bell Atlantic-Virginia, Inc.
To implement extended local service from Peninsula zone of Newport News metro exchange to GTE's Gloucester exchange

PUC960057 Bell Atlantic-Virginia, Inc.
To implement extended local service from Hampton zone of Newport News metro exchange to GTE's Gloucester exchange

PUC960058 Bell Atlantic-Virginia, Inc.
To implement extended local service from Poquoson zone of Newport News metro exchange to GTE's Gloucester exchange

PUC960059 Ex Parte: Rules
In the matter of investigating and adopting procedural rules for implementing the Telecommunications Act of 1996

PUC960060 Woo, Chol Sik t/a Greenfield Market
Alleged violation of VA Code §§ 56-508.15 and 56-308.16

PUC960061 GTE South, Incorporated
To discontinue offering Fractional T1 service

PUC960062 Central Telephone Company of Virginia
For tariff revisions pursuant to paragraph 8 of the Alternative Regulatory Plan

PUC960063 Central Telephone Company of Virginia
To implement extended local service from Farmville and Hampden Sydney exchanges to GTE's Keysville exchange

PUC960064 Stroud, Adam
For failure to pay late filing fee as required by Commission rules

PUC960065 D.V. Driskill Electrical Contractors, Inc. t/a Central Virginia Communications
For failure to pay late filing fee as required by Commission rules

PUC960066 Wieder, Kenneth A. t/a Community Telephone
For failure to pay late filing fee as required by Commission rules

PUC960067 Driskell, Daniel t/a Driskell Communication
For failure to pay late filing fee as required by Commission rules

PUC960068 Mako, Eva t/a Blue Ridge Pay Phones
For failure to pay late filing fee as required by Commission rules

PUC960069 Federal Open Systems Corporation
For failure to pay late filing fee as required by Commission rules

PUC960070 Wyatt, H. Gray t/a Perly's Restaurant
For failure to pay late filing fee as required by Commission rules

PUC960071 Hellard, Maria and John t/a Hellard Communications
For failure to pay late filing fee as required by Commission rules

PUC960072 Smith, Robert L. t/a JGS Communication Services
For failure to pay late filing fee as required by Commission rules

PUC960073 JGS Communications
For failure to pay late filing fee as required by Commission rules

PUC960074 Barbour, Troy V. t/a Mid-Eastern Telephone Co.
For failure to pay late filing fee as required by Commission rules

PUC960075 Dixon, Jenifer J. t/a Mr. Dixon Payphones
For failure to pay late filing fee as required by Commission rules

PUC960076 Carousel Corporation, The d/b/a Cedar Knoll Inn Restaurant
For failure to pay late filing fee as required by Commission rules

PUC960077 McCanna, Clarence E. t/a Timco
For failure to pay late filing fee as required by Commission rules

PUC960078 Virginia Pay Phone Systems, Inc.
Alleged violation of VA Code §§ 56-508.15 and 56-508.16

PUC960079 Bell Atlantic-Virginia, Inc. and Jones Telecommunications of Virginia, Inc.
For approval of interconnection agreement

PUC960080 Bell Atlantic-Virginia, Inc.
To implement extended local service from Roanoke exchange to R&B's Eagle Rock exchange

PUC960081 Bell Atlantic-Virginia, Inc.
To implement extended local service from Buchanan exchange to R&B's Fincastle exchange

PUC960082 Central Telephone Company of Virginia
To implement extended local service from Farmville to Bell Atlantic-Virginia, Inc.'s Cartersville exchange

PUC960083 !nterprise-Hyperion of Virginia Data Communications
For certificate to provide intrastate data telecommunications services

PUC960084 Bell Atlantic-Virginia, Inc.
To implement additional Community Choice Plan routes

PUC960085 TCG Virginia, Inc.
For certificate to provide local exchange telecommunications service in Virginia

PUC960086 Sprint Communications Co. of Virginia, Inc.
For certificate to provide local exchange telecommunications services

PUC960087 American Communication Services of Virginia, Inc.
For certificate to provide intrastate telecommunications services

PUC960088 CFW Network, Inc.
For certificate to provide local exchange telecommunications services

PUC960089 Bell Atlantic-Virginia, Inc.
To implement extended local service from Orange to Criglersville

PUC960090 Amtel Communications, Inc.
Alleged violation of VA Code §§ 56-508.15 and 56-508.16

PUC960091 Browder, Frances t/a Frances' Beauty Shop
Alleged violation of VA Code §§ 56-508.15 and 56-508.16

PUC960092 Craft, Rodney E. t/a Craft Communications Company
Alleged violation of VA Code §§ 56-508.15 and 56-508.16

PUC960093 Virginia Telecom Corporation
Alleged violation of VA Code §§ 56-308.15 and 56-308.16

PUC960094 Fuller, George A. t/a Philadelphia Cold Cuts
Alleged violation of VA Code §§ 56-308.15 and 56-508.16

PUC960095 Hall, Herman
Alleged violation of VA Code §§ 56-508.15 and 56-508.16

PUC960096 Besecker, Steven C. t/a Pay Phones Installation and Service
Alleged violation of VA Code §§ 56-508.15 and 56-508.16

PUC960097 Schofield No. 5, Inc. t/a Indian Hills Interstate Inn
Alleged violation of VA Code §§ 56-508.15 and 56-508.16

PUC960098 Twine, Steve
Alleged violation of VA Code §§ 56-508.15 and 56-508.16

PUC960099 Naini, Nader F. t/a Tel Tek, Inc.
Alleged violation of VA Code §§ 56-508.15 and 56-508.16

PUC960100 AT&T Communications of Virginia
For arbitration of unresolved issues from interconnection negotiations

PUC960102 MFS Communications Co., Inc.
For arbitration of unresolved issues from interconnection negotiations with GTE South Incorporated

PUC960103 TCG Virginia, Inc.
For arbitration of unresolved issues from interconnection negotiations with Bell Atlantic-Virginia, Inc.

PUC960104 Cox Fibernet Commercial Services
For arbitration of unresolved issues from interconnection negotiations with Bell Atlantic-Virginia, Inc.

PUC960105 Bell Atlantic-Virginia, Inc. and MFS Intelenet of Virginia, Inc.
For arbitration of an unresolved issue from interconnection negotiations

PUC960108 TCG Virginia, Inc.
For arbitration of unresolved issues from interconnection negotiations with GTE South Incorporated

PUC960109 GTE South, Incorporated
In the matter of investigating GTE South Inc.'s status as a rural telephone company pursuant the Telecommunications Act of 1996

PUC960110 Bell Atlantic-Virginia, Inc. and MFS Intelenet of Virginia, Inc.
For approval of interconnection agreement under Section 252(E) of the Telecommunications Act of 1996

PUC960111 Ex Parte: Investigation
In the matter of investigating whether Bell Atlantic-Virginia, Inc. meets requirements of Section 271 of the Telecommunications Act of 1996

PUC960113 MCImetro Access Transmission Services of Virginia, Inc.
For arbitration of unresolved issues from interconnection negotiations with Bell Atlantic-Virginia, Inc.

PUC960114 United Telephone-Southeast, Inc.
For authority to discontinue offering message plan service

PUC960116 KMC Telecom of Virginia, Inc.
For certificate to provide local exchange and interexchange telecommunications service

PUC960117 AT&T Communications of Virginia
For arbitration of unresolved issues from interconnection negotiations with GTE South, Inc.

PUC960118 Cox Fibernet Commercial Services, Inc.
For arbitration of unresolved issues from interconnection negotiations with GTE South, Inc.

PUC960119 CCI Telecommunications of Virginia, Inc.
For certificate to provide telecommunications services
PUC960120 Alternet of Virginia
For authority to amend certificate to provide local exchange services
PUC960121 Bell Atlantic-Virginia, Inc.
For authority to change rates for intraLATA long distance services to residential customers
PUC960122 R & B Network, Inc.
For authority to amend certificate to offer local exchange services
PUC960124 MCI Telecommunications, et al.
For arbitration of unresolved issues from interconnection negotiations with GTE South, Inc.
PUC960125 Central Telephone Company of Virginia
For approval of revisions to Centel's general subscriber services tariff
PUC960126 Central Telephone Company of Virginia
For authority to implement extended local service from Buckingham to Prospect
PUC960127 Bell Atlantic-Virginia, Inc.
For authority to extended local service from Cumberland to Sprint/Centel's Prospect exchange
PUC960128 Sprint Communications Company, L.P.
For arbitration of unresolved issued from interconnection negotiations with Bell Atlantic-Virginia, Inc.
PUC960129 GTE South, Incorporated
For authority to implement extended local service from Tazewell exchange to Honaker exchange
PUC960131 Sprint Communications Company, L.P.
For arbitration of unresolved issued from interconnection negotiations with GTE South, Inc.
PUC960133 GTE South, Inc.
1995 Annual informational filing
PUC960134 GTE South, Inc.
1995 Annual informational filing
PUC960136 Virginia Electric & Power Co.
For certificate to provide interexchange telecommunications services
PUC960138 GTE South, Incorporated
To implement extended local service from Keysville exchange to Prospect exchange
PUC960139 Bell Atlantic-Virginia, Inc.
To implement extended local service from Lovingston exchange to Greenwood exchange
PUC960140 United Telephone-Southeast
For approval of revisions to United's general subscriber services tariff
PUC960143 TDX Systems, Inc.
For authority to amend certificate
PUC960146 Bell Atlantic-Virginia, Inc.
For authority to implement extended local service from Williamsburg exchange to Charles City exchange
PUC960147 Bell Atlantic-Virginia, Inc.
For authority to implement extended local service from Toano exchange to Charles City exchange

PUE: DIVISION OF ENERGY REGULATION

PUE950122 DLG Utility Corporation
For certificate to provide water service
PUE950134 Virginia Electric & Power Co.
For certificate authorizing operation of transmission lines and facilities in Alexandria
PUE950135 Appalachian Power Company
For authority to defer filing of revised Schedule COGEN/SPP
PUE960001 Potomac Edison Company
To revise fuel factor pursuant to VA Code § 56-249.6
PUE960002 Prince George Electric Cooperative
For change in electric rates and to revise its tariffs
PUE960004 Potomac Edison Company, The
To revise cogeneration tariff pursuant to PURPA § 210
PUE960005 Washington Gas Light Company
For revisions to Rate Schedule Nos. 7, 8, and 16
PUE960006 Washington Gas Light Co.
For approval of full scale programs to promote installation of high efficiency gas appliances
PUE960007 Crawford Water Company
For cancellation of Certificate No. W-231
PUE960008 Aqua Systems, Inc.
For cancellation of Certificate No. W-193
PUE960009 Tidewater Water Co. - Isle of Wight
For order canceling Certificate No. W-211
PUE960010 United Cities Gas Company
Alleged violation of VA Code § 56-265.19.A
PUE960011 Century Concrete, Inc.
Alleged violation of VA Code § 56-265.17.A
PUE960012 Cliftondale Court Mobile Home Park
Alleged violation of VA Code §§ 56-265.17.B and 56-265.17.C

PUE960013 LSM Utilities, Inc.
Alleged violation of VA Code § 56-265.17.A
PUE960014 Mid-Atlantic Contracting, Inc.
Alleged violation of VA Code § 56-265.17.A
PUE960015 Minority Enterprises, Inc.
Alleged violation of VA Code § 56-265.24.A
PUE960016 R.S. Jones, Inc.
Alleged violation of VA Code § 56-265.17.A
PUE960018 Commonwealth Public Service Corporation
For general increase in rates and to revise tariffs
PUE960019 Kentucky Utilities Co. d/b/a Old Dominion Power Co.
To revise fuel factor pursuant to VA Code § 56-249.6
PUE960020 Appalachian Power Company
For amendment of license under Water Power Act and for issuance of certificate in connection with certain improvements
PUE960021 G W Corporation
For a certificate to provide water service
PUE960022 Lakeville Estates Water Corporation
For cancellation of Certificate No. W-101A
PUE960023 Virginia-American Water Co.
To defer 1995 annual informational filing
PUE960026 C & P Suffolk Water Co.
For authority to amend certificate
PUE960028 Southwestern Virginia Gas Co.
1995 Annual informational filing
PUE960030 Aquarius Pools, Inc.
Alleged violation of VA Code § 56-265.17.A
PUE960031 Curtis Contracting, Inc.
Alleged violation of VA Code § 56-265.17.C
PUE960032 Myers Cable, Inc.
Alleged violation of VA Code § 56-265.17.C
PUE960033 Commonwealth Gas Services, Inc.
Alleged violation of VA Code § 56-265.19.A
PUE960034 Leo Construction Company, Inc.
Alleged violation of VA Code § 56-265.17.B
PUE960035 Continental Cablevision, Inc.
Alleged violation of VA Code § 56-265.19.A
PUE960036 Virginia Electric & Power Co.
For extension of time to file annual informational filing
PUE960037 Amvest Oil and Gas, Inc.
Notification of intent to furnish gas services to JRN, Inc.
PUE960038 Commonwealth Gas Services, Inc.
Annual informational filing
PUE960039 Virginia Electric & Power Co.
Alleged violation of VA Code § 56-265.19.A
PUE960040 Bell Atlantic-Virginia, Inc.
Alleged violation of VA Code § 56-265.19.A
PUE960041 Delmarva Power & Light Co.
1995 Annual informational filing
PUE960042 Washington Gas Light Co.
1995 Annual informational filing
PUE960043 Kentucky Utilities Company
1995 Annual informational filing
PUE960045 Indian Acres of Thornburg
Petition for injunctive relief
PUE960046 Collins, O. B., et al., Complainants v. Virginia Electric & Power Co.
Petition for formal investigation
PUE960047 Bell Atlantic-Virginia, Inc.
Alleged violation of VA Code § 56-265.19.A
PUE960048 Chesapeake Bay Contractors, Inc.
Alleged violation of VA Code § 56.265.17.A
PUE960049 Cochran Construction Co.
Alleged violation of VA Code § 56-265.24.A
PUE960050 Commonwealth Propane, Inc.
Alleged violation of VA Code § 56-265.17.A
PUE960051 Driggs Corporation, The
Alleged violation of VA Code § 56-265.17.A
PUE960052 Mid-Atlantic Pipeliners
Alleged violation of VA Code § 56-265.24.A
PUE960053 Roundtree Construction
Alleged violation of VA Code § 56.265.24.A
PUE960054 Ruth Company, The
Alleged violation of VA Code § 56-265.17.A

PUE960055 Simons Hauling
Alleged violation of VA Code § 56.265.17.A

PUE960056 United Cities Gas Company
To delay filing of its 1995 annual informational filing

PUE960057 Evergreen Water Co.
Investigation of Evergreen Water Company

PUE960058 Bell Atlantic-Virginia, Inc.
Alleged violation of VA Code § 56-265.19.A

PUE960059 Flippo Construction Company
Alleged violation of VA Code § 56-265.24.A

PUE960060 LSR Enterprises, Inc.
Alleged violation of VA Code § 56-265.17.A

PUE960061 Media General Cable of Fairfax
Alleged violation of VA Code §§ 56-265.19.A, et al.

PUE960062 Washington Gas Light Company
Alleged violation of VA Code § 56-265.19.A

PUE960063 Utilx Corporation
Alleged violation of VA Code §§ 56-265.17.A, et al.

PUE960064 Lake Monticello Service Co.
For approval of new rates, charges, rules and regulations

PUE960065 Delmarva Power & Light Company
For an increase in electric fuel rate

PUE960068 Shenandoah Gas Company
1995 Annual informational filing

PUE960071 Virginia Electric & Power Co.
For certificate authorizing construction and operation of transmission lines and facilities

PUE960072 Delmarva Power & Light Co.
For change in Service Classification "X" Cogeneration and Small Power Production Tariff

PUE960073 Greenberg, Allan
Alleged violation of VA Code § 56-265.17.A

PUE960074 Dittmar Company
Alleged violation of VA Code § 56-265.17.A

PUE960075 W E Curling, Inc.
Alleged violation of VA Code § 56-265.24.A

PUE960076 Vimac International L P
Alleged violation of VA Code § 56-265.17.A

PUE960077 James O'Stevens Plumbing Service
Alleged violation of VA Code § 56-265.17.B

PUE960078 Racefield Fencing
Alleged violation to VA Code § 56-265.17.B

PUE960079 Old Dominion Electric Cooperative
Alleged violation of VA Code § 56-231.12

PUE960080 Media General Cable of Fairfax
Alleged violation of VA Code § 56-265.19.A

PUE960081 Utilx Corporation
Alleged violation of VA Code § 56-265.24.A

PUE960082 Washington Gas
Alleged violation of VA Code § 56-265.19.A

PUE960083 Bell Atlantic-Virginia, Inc.
Alleged violation of VA Code § 56-265.19.A

PUE960084 Virginia Electric & Power Company
Alleged violation of VA Code § 56-265.19.A

PUE960085 Media General Cable of Fairfax
Alleged violation of VA Code § 56-265.19.A

PUE960086 Diamond's Utility Construction
Alleged violation of VA Code § 56-265.17.A

PUE960087 New River Rooter Service
Alleged violation of VA Code § 56-265.17.A

PUE960088 B T Paving & Construction, Inc.
Alleged violation of VA Code § 56-265.17.A

PUE960089 Cherry Hill Construction, Inc.
Alleged violation of VA Code § 56-265.24.A

PUE960090 Virginia Electric & Power Co.
For authority to implement a qualifying facility monitoring program

PUE960092 Virginia Electric & Power Co.
For certificate to enter into purchased power contract without competitive bidding

PUE960093 Virginia Gas Pipeline Co.
For certificate to construct and operate Saltville storage project

PUE960094 Virginia Gas Distribution Co.
1994 Annual informational filing

PUE960095	Washington Gas Light Co. and Commonwealth Gas Services, Inc. For authority to amend certificates
PUE960096	Potomac Edison Co., The 1995 Annual informational filing
PUE960098	Virginia Electric & Power Co. For approval of revision to Section XII(B)
PUE960099	Appalachian Power Company For certificate to replace Virginia portion of 138 kV transmission line connecting East Danville station with CP&L's Roxboro station
PUE960100	Virginia Electric & Power Co. For approval to implement revised tariff - Schedule 10, Large General Service
PUE960102	Roanoke Gas Company 1995 Annual informational filing
PUE960103	Branch Highways, Inc. Alleged violation of VA Code § 56-265.17.A
PUE960104	Holladay Construction Co. Alleged violation of VA Code § 56-265.17.B
PUE960105	Nova Pool Service, Inc. Alleged violation of VA Code § 56-265.17.B
PUE960106	Sharrett, Danny Alleged violation of VA Code § 56-265.17.A
PUE960107	Signs West Alleged violation of VA Code § 56-265.17.A
PUE960108	Washington Gas Light Co. Alleged violation of VA Code § 56-265.19.A
PUE960109	Rockingham Construction Co., Inc. Alleged violation of VA Code § 56-265.17.C
PUE960110	Town Of Blackstone, The For certificate pursuant to VA Code § 25-233
PUE960111	Virginia Gas Storage Company 1995Annual informational filing
PUE960112	Commonwealth Gas Services, Inc. Alleged violation of VA Code § 56-265.19.A
PUE960113	Master Plumbing & Heating Company, Inc. Alleged violation of VA Code § 56-265.17.C
PUE960114	Contracting Enterprises, Inc. Alleged violation of VA Code § 56-265.17.B
PUE960115	Virginia Electric & Power Co. For certificate authorizing operation of 230 kV transmission line from Chickahominy-Darbytown 230 kV transmission line-White Oak substation
PUE960116	Pearce Corporation Alleged violation of VA Code § 56-265.17.A
PUE960117	Virginia Electric & Power Co. To revise cogeneration tariff pursuant to PURPA § 210
PUE960118	S&N Communications, Inc. Alleged violation of VA Code § 56-265.17.B
PUE960119	Everbloom, Inc. Alleged violation of VA Code § 56-265.17.A
PUE960120	Ash-Gayle, Inc. Alleged violation of VA Code § 56-265.24.A
PUE960121	Driggs Corporation, The Alleged violation of VA Code § 56-265.17.B
PUE960122	GTE South, Inc. Alleged violation of VA Code § 56.265.17.B
PUE960123	Byers Engineering Co. Alleged violation of VA Code § 56.265.19.A
PUE960124	Southwest Construction, Inc. Alleged violation of VA Code § 56-265.17.A
PUE960125	Branch Highways, Inc. Alleged violation of VA Code § 56.265.17.A
PUE960126	Ross & Sons Utility Contractor, Inc. Alleged violation of VA Code § 56-265.24.A
PUE960127	Potomac Electric Power Co., et al. For authority to dispose of and acquire utility assets pursuant to VA Code §§ 56-89 and 56-90 and for certificate
PUE960128	Groff, Bradley P., et al. v. Earlysville Forest Water Company For review of proposed increase in water rates
PUE960129	Pelham Manor Water Supply Co., Inc. For certificate to provide water service
PUE960130	Washington Gas Light Company For temporary waiver of provision of its tariff relating to PGA
PUE960131	Shenandoah Gas Company For temporary waiver of provision of its tariff relating to PGA

PUE960132 Building & Remodeling, Inc. d/b/a Walnut Acres Water System
For authority to abandon water service
PUE960133 Hudgins, George M. Jr., et al. v. Sydnor Hydrodynamics, Inc.
For hearing regarding Sydnor Hydrodynamics rates and services pursuant to VA Code § 13.1-620(G)
PUE960134 Virginia Gas Storage Company
For removal of certain restrictions on certificate
PUE960135 Airston Group
Alleged violation of VA Code § 56-265.17.A
PUE960136 Jones & Frank
Alleged violation of VA Code § 56-265.17.A
PUE960137 Johnson Excavating
Alleged violation of VA Code § 56-265.17.A
PUE960138 Weeter Concrete
Alleged violation of VA Code § 56-265.17.A
PUE960139 Soil Consultants, Inc.
Alleged violation of VA Code § 56-265.17.A
PUE960140 Abby Construction Company
Alleged violation of VA Code § 56-265.17.A
PUE960141 Wells Contracting
Alleged violation of VA Code § 56-265.17.A
PUE960142 Commonwealth Stump Removal
Alleged violation of VA Code § 56-265.17.A
PUE960143 William Ramsey Remodeling
Alleged violation of VA Code § 56-265.17.A
PUE960144 D & F Construction Co.
Alleged violation of VA Code § 56-265.17.A
PUE960145 Lobo Construction Co.
Alleged violation of VA Code § 56-265.17.A
PUE960146 Whitner & Jackson
Alleged violation of VA Code § 56-265.17.A
PUE960147 ET & A Construction, Inc.
Alleged violation of VA Code § 56-265.17.B
PUE960148 Apple House Garden Shop, The
Alleged violation of VA Code § 56-265.17.A
PUE960149 Davy Tree & Lawn
Alleged violation of VA Code § 56-265.17.A
PUE960150 Summit USA
Alleged violation of VA Code § 56-265.17.A
PUE960151 Brandells
Alleged violation of VA Code § 56-265.17.A
PUE960152 Lewis, Ken
Alleged violation of VA Code § 56-265.17.A
PUE960153 Cornerstone Electric
Alleged violation of VA Code § 56-265.17.A
PUE960154 Randolph Williams Company
Alleged violation of VA Code § 56-265.17.A
PUE960155 Kellogg, E.L.
Alleged violation of VA Code § 56-265.17.A
PUE960156 S L M Concrete
Alleged violation of VA Code § 56-265.17.A
PUE960157 Harry King Sewer & Water
Alleged violation of VA Code § 56-265.17.A
PUE960158 Breeden Plumbing
Alleged violation of VA Code § 56-265.17.A
PUE960159 Magnolia Plumbing
Alleged violation of VA Code § 56-265.17.A
PUE960160 Wallace, J. W.
Alleged violation of VA Code § 56-265.17.A
PUE960161 G Fairfax Construction
Alleged violation of VA Code § 56-265.17.A
PUE960162 Haskell Company, The
Alleged violation of VA Code § 56-265.17.A
PUE960163 Arnold Wilson Construction
Alleged violation of VA Code § 56-265.17.A
PUE960164 Puckett, James E.
Alleged violation of VA Code § 56-265.17.A
PUE960165 Granja Contracting
Alleged violation of VA Code § 56-265.17.A
PUE960166 Ellsworth Electric
Alleged violation of VA Code § 56-265.17.A

PUE960167 McCraken, Johnny
Alleged violation of VA Code § 56-265.17.A
PUE960168 Morris, Danny
Alleged violation of VA Code § 56-265.17.A
PUE960169 Jones, Gary
Alleged violation of VA Code § 56-265.17.A
PUE960170 R William Reid Building, Inc.
Alleged violation of VA Code § 56-265.17.A
PUE960171 B & K Construction of Tidewater
Alleged violation of VA Code § 56-265.17.A
PUE960172 Tri-Cities Industrial Builders
Alleged violation of VA Code § 56-265.17.A
PUE960173 Carter Concrete
Alleged violation of VA Code § 56-265.17.A
PUE960174 Kingery Brothers Excavating
Alleged violation of VA Code § 56-265.17.A
PUE960175 Guy Eavers Construction
Alleged violation of VA Code § 56-265.17.A
PUE960176 J & B Plumbing & Heating
Alleged violation of VA Code § 56-265.17.A
PUE960177 Grass Works, Inc.
Alleged violation of VA Code § 56-265.17.A
PUE960178 Roanoke Pump Sales & Service, Inc.
Alleged violation of VA Code § 56-265.17.A
PUE960179 Special Plumbing
Alleged violation of VA Code § 56-265.17.A
PUE960180 Hill Plumbing & Heating
Alleged violation of VA Code § 56-265.17.A
PUE960181 Meade, Doug
Alleged violation of VA Code § 56-265.17.A
PUE960182 Old Dominion Demolition Corporation
Alleged violation of VA Code § 56-265.17.A
PUE960183 Frith Construction
Alleged violation of VA Code § 56-265.17.A
PUE960184 Pruetts Excavating
Alleged violation of VA Code § 56-265.17.A
PUE960185 H & S Construction Company
Alleged violation of VA Code § 56-265.17.A
PUE960186 Newcomb Electric Company, Inc.
Alleged violation of VA Code § 56-265.17.A
PUE960187 Washington Gas Light Company
For amendment to certificate pursuant to the Utility Facilities Act
PUE960188 Thor, Inc.
Alleged violation of VA Code § 56-265.17.A
PUE960189 Coake Electric
Alleged violation of VA Code § 56-265.17.A
PUE960190 Virginia Beach Electric Service
Alleged violation of VA Code § 56-265.17.A
PUE960191 Arbor Construction
Alleged violation of VA Code § 56-265.17.A
PUE960192 C D Hayes, Inc.
Alleged violation of VA Code § 56-265.17.A
PUE960193 R&G Construction
Alleged violation of VA Code § 56-265.17.A
PUE960194 Affordable Plumbing
Alleged violation of VA Code § 56-265.17.A
PUE960195 Sigma Concrete
Alleged violation of VA Code § 56-265.17.A
PUE960196 Jamison Electric Company
Alleged violation of VA Code § 56-265.17.A
PUE960197 Slimmen, Adrian A.
Alleged violation of VA Code § 56-265.17.A
PUE960198 Jones, David-Contractor
Alleged violation of VA Code § 56-265.17.A
PUE960199 Plecker Construction Co.
Alleged violation of VA Code § 56-265.17.A
PUE960200 Augusta Excavating
Alleged violation of VA Code § 56-265.17.A
PUE960201 GRC Construction
Alleged violation of VA Code § 56-265.17.A
PUE960202 Archadeck Company
Alleged violation of VA Code § 56-265.17.A

PUE960203 Jarrett Electric Co., Inc.
Alleged violation of VA Code § 56-265.17.A
PUE960204 Jo-Lyn Electric Co.
Alleged violation of VA Code § 56-265.17.A
PUE960205 Timberlane Builders, Inc.
Alleged violation of VA Code § 56-265.17.A
PUE960206 Knight Construction
Alleged violation of VA Code § 56-265.17.A
PUE960207 S B Ballard
Alleged violation of VA Code § 56-265.17.A
PUE960208 Quality Building
Alleged violation of VA Code § 56-265.17.A
PUE960209 Industrial Heating
Alleged violation of VA Code § 56-265.17.A
PUE960210 Amos, Alan
Alleged violation of VA Code § 56-265.17.A
PUE960211 Homes By Ron
Alleged violation of VA Code § 56-265.17.A
PUE960212 Clark's Excavating
Alleged violation of VA Code § 56-265.17.A
PUE960213 Turner, Craig
Alleged violation of VA Code § 56-265.17.A
PUE960214 AMW of Tidewater
Alleged violation of VA Code § 56-265.17.A
PUE960215 Batson-Cook Construction
Alleged violation of VA Code § 56-265.17.A
PUE960216 Virginia Electric & Power Co.
Alleged violation of VA Code § 56-265.19.A
PUE960217 Currents Construction, Inc.
Alleged violation of VA Code § 56-265.17.A
PUE960218 W-L Construction & Paving, Inc.
Alleged violation of VA Code § 56-265.17.B
PUE960219 V M Development
Alleged violation of VA Code § 56-265.17.A
PUE960220 B C Electric
Alleged violation of VA Code § 56-265.17.A
PUE960221 Byers Engineering Co.
Alleged violation of VA Code § 56-265.19.
PUE960222 Cable Associates, Inc.
Alleged violation of VA Code § 56-265.17.B
PUE960223 Sanitary Engineering Co., Inc.
Alleged violation of VA Code § 56-265.17.B
PUE960224 Commonwealth Chesapeake Corporation
For approval of expenditures for new generation facilities pursuant to VA Code § 56-234.3
PUE960225 Presidential Service & Utility Company, Inc.
For cancellation of Certificate No. W-211
PUE960226 Virginia Electric & Power Co.
To revise fuel factor pursuant to VA Code § 56-249.6
PUE960227 Virginia Natural Gas Company
For expedited increase in gas rates
PUE960228 Commonwealth Gas Services, Inc.
For waiver of moratorium on addition of new customers under metered propane service rate schedule
PUE960229 Central Virginia Electric Cooperative
For approval of demand side management water heater program
PUE960230 Branch Highways, Inc.
Alleged violation of VA Code § 56-265.17.B
PUE960231 Robertson, N. Allan
Alleged violation of VA Code § 56-265.19.A
PUE960232 United Cities Gas and Atmos Energy Corporation
For reissuance of certificates upon merger of companies
PUE960233 C&P Isle of Wight Water Co., Inc.
For authority to amend certificate
PUE960234 Wilson Electric Company
Alleged violation of VA Code § 56-265.17.A
PUE960235 E C Pace Company
Alleged violation of VA Code § 56-265.17.A
PUE960236 Thomas Brothers, Inc.
Alleged violation of VA Code § 56-265.17.A
PUE960237 J H Martin & Sons Contractor, Inc.
Alleged violation of VA Code § 56-265.17.A

PUE960238 Hitchen Construction, Inc.
Alleged violation of VA Code § 56-265.17.A
PUE960239 Virginia American Water Co.
Alleged violation of VA Code § 56-265.17.A
PUE960240 Maughn Construction Co.
Alleged violation of VA Code § 56-265.17.A
PUE960241 Atlantic Builders
Alleged violation of VA Code § 56-265.17.A
PUE960242 Shenandoah Valley Construction
Alleged violation of VA Code § 56-265.17.A
PUE960243 Mitchell Distributing
Alleged violation of VA Code § 56-265.17.A
PUE960244 Showalter, F. L.
Alleged violation of VA Code § 56-265.17.A
PUE960245 Ace Technologies
Alleged violation of VA Code § 56-265.17.A
PUE960246 Leon Smart Excavating & Hauling
Alleged violation of VA Code § 56-265.17.A
PUE960247 Byrd Waterproofing, Inc.
Alleged violation of VA Code § 56-265.17.A
PUE960248 Hoback Construction
Alleged violation of VA Code § 56-265.17.A
PUE960249 D & D Construction
Alleged violation of VA Code § 56-265.17.A
PUE960250 Loeb Construction Co.
Alleged violation of VA Code § 56-265.17.A
PUE960251 Gerdy Contracting
Alleged violation of VA Code § 56-265.17.A
PUE960252 Virginia Natural Gas, Inc.
Alleged violation of VA Code § 56-265.19.A
PUE960253 Porten Companies, Inc.
Alleged violation of VA Code § 56-265.17.A
PUE960254 Stackhouse, Inc.
Alleged violation of VA Code § 56-265.24.A
PUE960255 Branch Highways, Inc.
Alleged violation of VA Code § 56-265.17.A
PUE960256 Commercial Concrete, Inc.
Alleged violation of VA Code § 56-265.17.A
PUE960257 McLean Landscaping
Alleged violation of VA Code § 56-265.17.A
PUE960258 Casdo Construction Co., Inc.
Alleged violation of VA Code § 56-265.17.A
PUE960259 Burton & Robinson, Inc.
Alleged violation of VA Code § 56-265.17.A
PUE960260 Central Concrete, Inc.
Alleged violation of VA Code § 56-265.17.A
PUE960261 Power Concepts, Inc.
Alleged violation of VA Code § 56-265.17.A
PUE960262 Belle View Condominium Association
Alleged violation of VA Code § 56-265.17.A
PUE960263 Willard L. Harris Construction
Alleged violation of VA Code § 56-265.17.A
PUE960264 K Hovnanian Company
Alleged violation of VA Code § 56-265.17.A
PUE960265 Hercules Fence Company
Alleged violation of VA Code § 56-265.17.A
PUE960266 W E Mabis Plumbing Service
Alleged violation of VA Code § 56-265.17.A
PUE960267 Lineal Industries, B. T.
Alleged violation of VA Code § 56-265.17.A
PUE960268 National Cable Construction
Alleged violation of VA Code § 56-265.17.
PUE960269 Finley Asphalt & Sealing
Alleged violation of VA Code § 56-265.17.A
PUE960270 Hart Plumbing Company
Alleged violation of VA Code § 56-265.17.A
PUE960271 F & F Landscaping
Alleged violation of VA Code § 56-265.17.A
PUE960272 Custom Home Designers and Builders, Inc.
Alleged violation of VA Code § 56-265.17.A
PUE960273 Asphalt Sealing & Repair
Alleged violation of VA Code § 56-265.17.A

PUE960274 Joe Bandy & Son, Inc.
Alleged violation of VA Code § 56-265.17.A
PUE960275 Western Branch Concrete
Alleged violation of VA Code § 56-265.17.A
PUE960276 Allen Neely Company
Alleged violation of VA Code § 56-265.17.A
PUE960277 Lucas Construction
Alleged violation of VA Code § 56-265.17.A
PUE960278 CL Draughn Ditching Contractor, Inc.
Alleged violation of VA Code § 56-265.17.A
PUE960279 Mendon Pipeline, Inc.
Alleged violation of VA Code § 56-265.17.A
PUE960280 HAS
Alleged violation of VA Code § 56-265.17.A
PUE960281 Harold's Footing Service, Inc.
Alleged violation of VA Code § 56-265.17.A
PUE960282 East Coast Abatement & Demolition
Alleged violation of VA Code § 56-265.17.A
PUE960283 Eavers Construction Co.
Alleged violation of VA Code § 56-265.17.A
PUE960284 Dawson Construction Co.
Alleged violation of VA Code § 56-265.17.A
PUE960285 John Newton Construction
Alleged violation of VA Code § 56-265.17.A
PUE960286 Handyman Unlimited
Alleged violation of VA Code § 56-265.17.A
PUE960287 Bolling Construction Co.
Alleged violation of VA Code § 56-265.17.A
PUE960288 Valley Curb & Gutter
Alleged violation of VA Code § 56-265.17.
PUE960289 Bill Worley Piping
Alleged violation of VA Code § 56-265.17.A
PUE960290 Guy C. Eavers Company
Alleged violation of VA Code § 56-265.17.A
PUE960291 Bookman Construction Co., Inc.
Alleged violation of VA Code § 56-265.17.A
PUE960292 Joe Detamore & Son Excavating Co.
Alleged violation of VA Code § 56-265.17.A
PUE960293 Appalachian Power Co.
For authority to defer billing of revised Schedule COGEN/SPP
PUE960294 National Capital Charter, et al.
For authority to enter into agreement with Washington Gas Light and WGESC
PUE960295 Prince George Electric Cooperative
For declaratory judgment
PUE960296 Ex Parte: Recommendations
In the matter of considering recommendations affecting Virginia Electric & Power Co. contained in the Staff report on restructuring of the electric industry
PUE960298 Ex Parte: Recommendations
In the matter of considering recommendations affecting Kentucky Utilities Co. contained in the Staff report on restructuring of the electric industry
PUE960299 Ex Parte: Recommendations
In the matter of considering recommendations affecting Delmarva Power & Light Co. contained in the Staff report on restructuring of the electric industry
PUE960300 Ex Parte: Recommendations
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PUE960302 Ott, Frank, et al. v. Wintergreen Valley Utility Company
For proposed rate increase
PUE960303 Kentucky Utilities Co.
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PUE960304 Roanoke Gas Company
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PUE960305 Earlysville Forest Water Co.
For certificate to own and operate water system
PUE960306 Norris E. Jones Jr., Inc.
Alleged violation of VA Code §§ 56-265.17.A, et al.
PUE960307 PWP Builders, Inc.
Alleged violation of VA Code § 56-265.17.A

PUE960308 Strong Companies Inc., The
Alleged violation of VA Code § 56-265.17.A
PUE960309 Excavation Technologies, Inc.
Alleged violation of VA Code § 56-265.17.A
PUE960310 Builder Fence and Deck Company
Alleged violation of Va. code sec. 56-265.17.a
PUE960311 C W Hurt Construction
Alleged violation of VA Code § 56-265.17.A
PUE960312 Vision Homes, Inc.
Alleged violation of VA Code § 56-265.17.A
PUE960313 Breeden Mechanical
Alleged violation of VA Code § 56-265.17.A
PUE960314 National Cable Construction, Inc.
Alleged violation of VA Code § 56-265.17.B
PUE960315 Commonwealth Gas Services, Inc.
Alleged violation of VA Code § 56-265.19.A
PUE960316 Invisible Fence Company
Alleged violation of VA Code § 56-265.17.A
PUE960317 Hills Plumbing & Backhoe Service
Alleged violation of VA Code § 56-265.17.A
PUE960318 S W Rodgers Contracting Co., Inc.
Alleged violation of VA Code § 56-265.17.B
PUE960319 Virginia Natural Gas, Inc.
Alleged violation of VA Code § 56-265.19.A
PUE960320 Virginia Electric & Power Co.
Alleged violation of VA Code § 56-265.19.A
PUE960321 Bell Atlantic-Virginia, Inc.
Alleged violation of VA Code § 56-265.19.A
PUE960322 F L Showalter, Inc.
Alleged violation of VA Code § 56-265.24.B
PUE960323 M E Wilkins, Inc.
Alleged violation of VA Code § 56-265.17.B
PUE960324 Commonwealth Gas Services, Inc.
Alleged violation of VA Code § 56-265.19.A
PUE960325 Henderson Construction Company
Alleged violation of VA Code § 56-265.24.A
PUE960326 NC Utility Services
Alleged violation of VA Code § 56-265.19.A
PUE960327 Southwest Construction, Inc. d/b/a Utility Detection Services
Alleged violation of VA Code § 56-265.19.A
PUE960328 R L Price Company
Alleged violation of VA Code § 56-265.17.A
PUE960329 Hood, Jeff
Alleged violation of VA Code § 56-265.17.A
PUE960330 Branch Highways, Inc.
Alleged violation of VA Code § 56-265.17.A
PUE960331 Best Grading Company
Alleged violation of VA Code § 56-265.17.A
PUE960332 RDCI, Inc.
Alleged violation of VA Code § 56-265.17.B
PUE960333 East Coast Leisure
Alleged violation of VA Code § 56-265.17.A
PUE960334 Asphalt Roads
Alleged violation of VA Code § 56-265.17.A
PUE960335 Underground Utilities Services
Alleged violation of VA Code § 56-265.17.A
PUE960336 Abante Corporation
Alleged violation of VA Code § 56-265.17.A
PUE960337 Faulconer Construction Company
Alleged violation of VA Code § 56-265.17.A
PUE960338 A E Harold & Sons Demolition
Alleged violation of VA Code § 56-265.17.A
PUE960339 Carlisle Construction
Alleged violation of VA Code § 56-265.17.A
PUE960340 Marquis Construction
Alleged violation of VA Code § 56-265.17.A
PUE960341 Wilmik, Inc. Foundations
Alleged violation of VA Code § 56-265.17.A
PUE960342 Seema, Inc.
Alleged violation of VA Code § 56-265.17.A
PUE960343 Hajar Custom Homes, Inc.
Alleged violation of VA Code § 56-265.17.A

PUE960344 Driskill Electric
Alleged violation of VA Code § 56-275.17.A
PUE960345 Virginia Natural Gas, Inc.
Alleged violation of VA Code § 56-265.19.A
PUE960348 NC Utility Services
Alleged violation of VA Code § 56-265.19.A
PUE960349 B & U Plumbing Company
Alleged violation of VA Code § 56-265.17.B
PUE960350 JB Plumbing & Heating Company
Alleged violation of VA Code § 56-265.17.B
PUE960351 Charles R. Simpson, Inc.
Alleged violation of VA Code § 56-265.24.A
PUE960352 H & S Construction Company
Alleged violation of VA Code § 56-265.24.A
PUE960353 Virginia Natural Gas, Inc.
Alleged violation of VA Code § 56-265.19.A
PUE960354 Henry S. Branscome, Inc.
Alleged violation of VA Code § 56-265.24.A
PUE960355 Precon Construction, Inc.
Alleged violation of VA Code § 56-265.17.
PUE960356 Virginia Electric & Power Co.
Alleged violation of VA Code § 56-265.17.B
PUE960357 United Cities Gas Company
Alleged violation of VA Code § 56-265.19.A
PUE960358 Copeland Excavation
Alleged violation of VA Code § 56-265.17.A
PUE960364 Southwest Construction, Inc.
Alleged violation of VA Code § 56-265.19.A

PUF: DIVISION OF ECONOMICS AND FINANCE

PUF950032 Roanoke Gas Company
For approval of issuance of short-term debt
PUF950033 Shenandoah Telephone Company
For authority to receive a loan/grant from the United States Government
PUF950034 Virginia Electric & Power Co.
For authority to issue debt securities
PUF960001 Appalachian Power Company
For authority to enter into a sale/lease back transaction with City of Bedford
PUF960002 United Cities Gas Co.
For authority to issue common stock under non-employee director stock plan
PUF960003 Lake Monticello Service Co., Inc.
For authority to issue debt
PUF960004 Potomac Edison Company, The
For continuing approval of money pool agreement with affiliates
PUF960005 Roanoke Gas Company
For authority to issue intermediate and long-term debt
PUF960006 Virginia Electric & Power Co.
For authority to incur debt under credit facilities
PUF960007 Lake Monticello Service Co.
For authority to issue debt
PUF960008 Commonwealth Gas Services, Inc.
For authority to enter into sale-leaseback of certain real property with affiliate
PUF960009 Delmarva Power & Light Company
For authority to establish trust preferred capital financing program
PUF960010 GTE South, Inc. and GTE Funding, Inc.
For approval of affiliate agreements
PUF960011 Washington Gas Light Company
For authority to issue short-term debt and sell commercial paper to affiliates
PUF960013 Washington Gas Light Co. and Shenandoah Gas Co.
For authority to make certain open account advances
PUF960014 Roanoke & Botetourt Telephone Co.
For approval to draw down loans funds
PUF960015 Washington Gas Light Company
For authority to issue debt securities, preferred and common stock
PUF960016 Atmos Energy Corporation
For authority to issue securities
PUF960017 Rappahannock Electric Cooperative
For authority to issue long-term debt
PUF960018 United Cities Gas Company
For authority to incur short-term indebtedness

PUF960019 Commonwealth Gas Services, Inc.
For approval of issuance and sale of promissory notes to refinance debt
PUF960020 GTE South, Inc. and GTE Corporation
For approval to borrow and invest short-term funds with affiliates
PUF960021 Commonwealth Gas Services, Inc. and Columbia Gas System, Inc., The
For approval of intercompany financing for 1997
PUF960022 Delmarva Power & Light Co.
For authority to issue up to $275,000,000 of short-term debt
PUF960023 Delmarva Power & Light Co.
For authority to issue common stock and debt securities
PUF960025 Virginia Gas Distribution Co.
For authority to incur indebtedness
PUF960026 Virginia Gas Storage Co.
For authority to incur indebtedness
PUF960027 United Telephone-Southeast, Inc.
For authority to advance funds to affiliate, Sprint Corporation
PUF960028 Central Telephone Co. of Virginia
For authority to advance funds to affiliate, Central Telephone Co.
PUF960029 Central Telephone Co. of Virginia
For authority to advance funds to parent, Sprint Corporation
PUF960030 Roanoke Gas
For authority to issue up to 50,000 shares of common stock
PUF960031 Virginia Gas Pipeline Co.
For authority to incur indebtedness
PUF960032 Appalachian Power Company
For authority to issue long-term securities

SEC: DIVISION OF SECURITIES AND RETAIL FRANCHISING

SEC960001 Royal Alliance Associates, Inc.
For offer of compromise and settlement
SEC960002 Emmanuel Baptist Church
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC960003 Eneric Financial Services, Inc.
For offer of compromise and settlement
SEC960004 Trion Capital Corporation
For offer of compromise and settlement
SEC960005 Dean Witter Reynolds, Inc.
For offer of compromise and settlement
SEC960006 H. J. Meyers & Co.
For offer of compromise and settlement
SEC960007 Chubb Securities Corporation
For offer of compromise and settlement
SEC960008 Siegel, Michael J.
Alleged violation of VA Code §§ 13.1-502, et al.
SEC960009 J. W. Redmond & Company, Inc.
For offer of compromise and settlement
SEC960010 Redmond, Joseph Woodward
For offer of compromise and settlement
SEC960011 CSX Financial Management, Inc.
For offer of compromise and settlement
SEC960012 Colonial Heights Baptist Church of Colonial Heights, VA
For certificate of exemption pursuant to VA Code § 13.1-514.1.B
SEC960013 Presbyterian Homes, Inc.
For certificate of exemption pursuant to VA Code § 13.1-514.1.B
SEC960014 Virginia Pension Center, Inc.
For offer of compromise and settlement
SEC960015 Beavers, Gary Lee
For offer of compromise and settlement
SEC960016 Jennison Associates Capital Corporation
For order of exemption pursuant to VA Code § 13.1-501
SEC960017 Diversified Fund Management, Inc.
For offer of compromise and settlement
SEC960018 National Investment Advisors, Inc.
For offer of compromise and settlement
SEC960019 Miller , Anderson & Sherrerd LLP
For offer of compromise and settlement
SEC960020 Mills Value Adviser, Inc.
For offer of compromise and settlement
SEC960021 Lloyd's, a/k/a Corp. of Lloyd's, et al.
Alleged violation of VA Code §§ 13.1-502 and 13.1-504(B)

SEC960022 Mills, Charles Arthur III
For offer of compromise and settlement
SEC960023 Lutheran Association for Church Extension, Inc.
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC960024 National Covenant Properties
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC960025 Smith Barney, Inc.
For offer of compromise and settlement
SEC960026 Carpenter, Vincent Demetrius d/b/a Chesapeake Financial Services-Registered Investment Advisors
For offer of compromise and settlement
SEC960027 Minogue, Dennis
For offer of compromise and settlement
SEC960028 First Mount Vernon Industrial Loan Association
Alleged violation of VA Code § 13.1-504A
SEC960029 Bennett, Arthur G.
Alleged violation of VA Code § 13.1-504A
SEC960030 PaineWebber, Incorporated
For offer of compromise and settlement
SEC960031 Farm Family Mutual Insurance Co.
For official interpretation pursuant to VA Code § 13.1-525
SEC960032 Winston Capital Management, Inc.
For offer of compromise and settlement
SEC960033 Advantage Investments, Inc.
For offer of compromise and settlement
SEC960034 G. W. & Wade, Inc.
For offer of compromise and settlement
SEC960035 Intervest Financial Services, Inc.
For offer of compromise and settlement
SEC960036 Orthodox Presbyterian Church Loan Fund, Inc.
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC960037 Investment Planning Advisory Services, Inc.
For offer of compromise and settlement
SEC960038 Club on Fishing Bay, Inc.
For offer of compromise and settlement
SEC960039 Gilbert Marshall & Company
For offer of compromise and settlement
SEC960040 Murphy, W. Earle III
For offer of compromise and settlement
SEC960041 Signet Financial Services, Inc.
For offer of compromise and settlement
SEC960042 Zion Apostolic Christian Memorial Church
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC960043 Titan Financial Services, Inc.
For offer of compromise and settlement
SEC960044 Townsend Financial Services Corporation
For offer of compromise and settlement
SEC960045 Unity Christ Church of Bon Air
For offer of compromise and settlement
SEC960046 Rappahannock Westminster-Canterbury Foundation, Inc.
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC960047 C. F. G. Securities Corporation
For offer of compromise and settlement
SEC960048 Lemley Yarling & Co.
For offer of compromise and settlement
SEC960049 Loban, P. Vincent
For offer of compromise and settlement
SEC960050 Ferris, George M. Jr.
For offer of compromise and settlement
SEC960051 Royal Maccabees Securities Co.
For offer of compromise and settlement
SEC960052 Van Houten, David Keith
For implementation of special supervisory procedures
SEC960053 Fleet Enterprises, Inc.
For offer of compromise and settlement
SEC960054 Lyster Watson & Company
For offer of compromise and settlement
SEC960055 Signal Securities, Inc.
For offer of compromise and settlement
SEC960056 Telaro Securities, Inc.
For offer of compromise and settlement

SEC960057	PSA Equities, Inc. For offer of compromise and settlement
SEC960058	Bernard Herold & Co., Inc. For offer of compromise and settlement
SEC960059	BGS&G Investment Services, Inc. For offer of compromise and settlement
SEC960060	Hanmi Securities, Inc. For offer of compromise and settlement
SEC960061	Okeke, Innocent Kanayo For implementation of special supervisory procedures
SEC960062	Baker Weeks, Inc. For offer of compromise and settlement
SEC960063	SK International Securities Corporation For offer of compromise and settlement
SEC960064	RE Investment Corporation For offer of compromise and settlement
SEC960065	Shepard & Vrbanac Securities, Inc. For offer of compromise and settlement
SEC960066	Korea Associated Securities, Inc. For offer of compromise and settlement
SEC960067	Ringler Financial Service's, Inc. For offer of compromise and settlement
SEC960068	First Wall Street Corporation For offer of compromise and settlement
SEC960069	Tradeway Securities Group, Inc. For offer of compromise and settlement
SEC960070	Sipe, Harry Clyde Jr. For offer of compromise and settlement
SEC960071	Aegon USA Securities, Inc. For offer of compromise and settlement
SEC960072	Aetna Investment Services, Inc. For offer of compromise and settlement
SEC960073	PFM, Inc. For offer of compromise and settlement
SEC960074	Jolly, Stephen Alexander Alleged violation of VA Code § 13.1-518
SEC960075	Safeco Securities, Inc. For offer of compromise and settlement
SEC960076	Bedford Securities, Inc. For offer of compromise and settlement
SEC960077	Golden State Mutual Securities Corporation For offer of compromise and settlement
SEC960078	Hermitage Capital Corporation For offer of compromise and settlement
SEC960079	Lynch, Jones and Ryan, Inc. For offer of compromise and settlement
SEC960080	Summers Capital Services, Inc. For offer of compromise and settlement
SEC960081	Ex Parte: Rules In the matter of promulgation of rules pursuant to VA Code § 13.1-523 (Securities Act)
SEC960082	Atlantis Investment Co., Inc. For offer of compromise and settlement
SEC960084	Worrell, Michael A. Alleged violation of VA Code §§ 13.1-502, et al.
SEC960085	Northridge Capital Corporation For offer of compromise and settlement
SEC960086	Rosenthal, Stuart Laurence d/b/a Successful Money Management Seminars For offer of compromise and settlement
SEC960087	Washington Square Securities For offer of compromise and settlement
SEC960088	Capital Strategies LTD For offer of compromise and settlement
SEC960089	Virginia Higher Education Trust Fund For official interpretation pursuant to VA Code § 13.1-525
SEC960090	Lutheran Church Extension Fund For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC960091	Hewitt, Robert A. Jr. For offer of compromise and settlement
SEC960092	House of Securities Co., The For offer of compromise and settlement
SEC960093	Vernon, Michael S. For offer of compromise and settlement

SEC960094	Voyageur, Inc. For offer of compromise and settlement
SEC960095	Christopher Weil & Company, Inc. For offer of compromise and settlement
SEC960096	Bank Julius Baer NY Branch For official interpretation pursuant to VA Code § 13.1-525
SEC960097	Portfolio Management Consultants, Inc. For offer of compromise and settlement
SEC960098	William D. Witter, Inc. For offer of compromise and settlement
SEC960099	Southern Financial Group, Inc. For offer of compromise and settlement
SEC960100	Heier Group, The For offer of compromise and settlement
SEC960101	O'Neal, George G. Alleged violation of VA Code §§ 13.1-502, et al.
SEC960102	Irvine Securities, Inc. For offer of compromise and settlement
SEC960103	Harris, Bennie R. II For offer of compromise and settlement
SEC960104	Hollywood Continental Alleged violation of VA Code §§ 13.1-502, et al.
SEC960105	Presbyterian Church USA Investment and Loan Program, Inc. For certificate of exemption pursuant to VA Code § 13.1-514.1.B
SEC960106	Imperial Thrift & Loan Association For official interpretation pursuant to VA Code § 13.1-525
SEC960107	Mary Baldwin College For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC960108	Chao & Company LTD and Chao, Philip Shih Ling For offer of compromise and settlement